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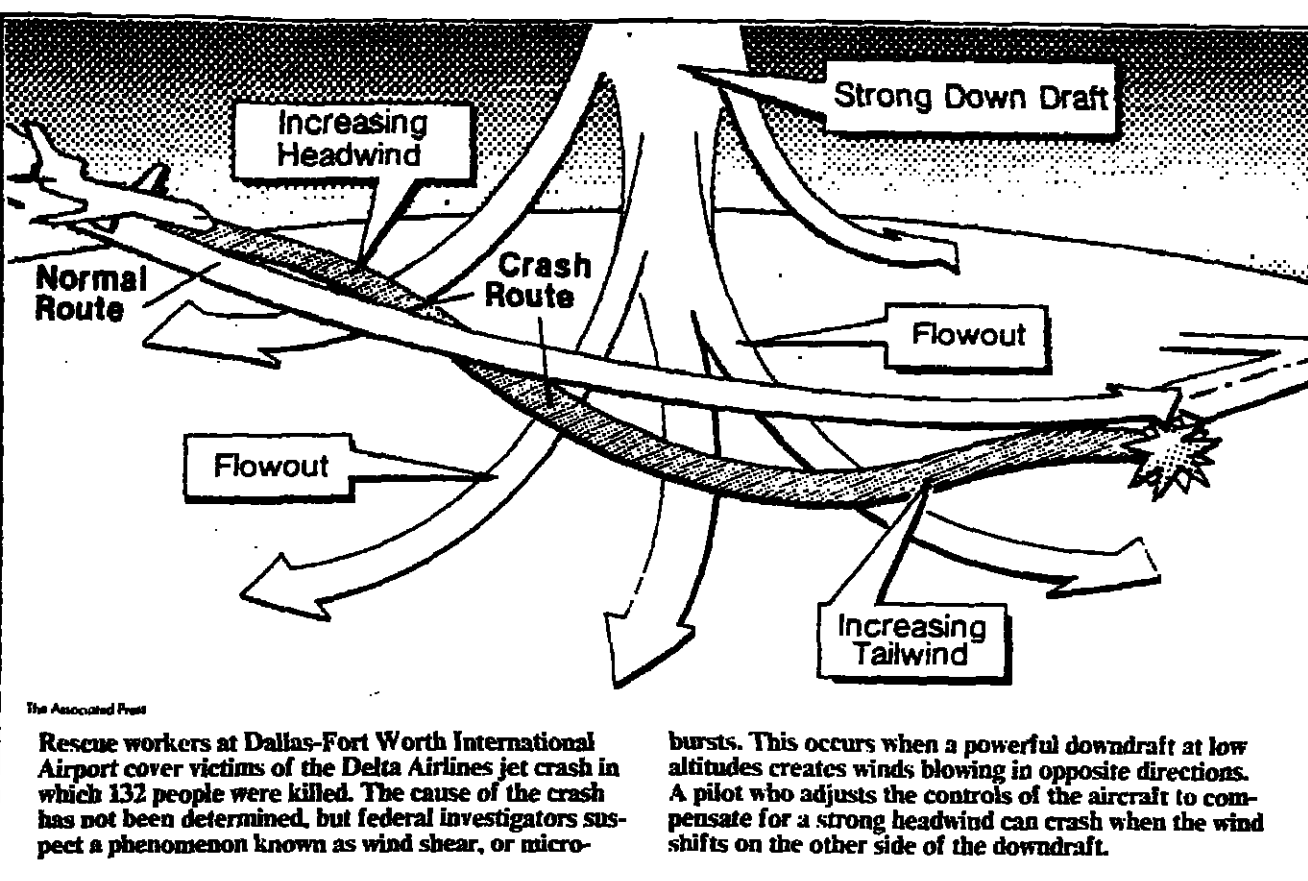
# Herald Tribune

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The Associated Press

Rescue workers at Dallas-Fort Worth International Airport cover victims of the Delta Airlines jet crash in which 132 people were killed. The cause of the crash has not been determined, but federal investigators suspect a phenomenon known as wind shear, or micro-

bursts. This occurs when a powerful downdraft at low altitudes creates winds blowing in opposite directions. A pilot who adjusts the controls of the aircraft to compensate for a strong headwind can crash when the wind shifts on the other side of the downdraft.

## Jet Crash Near Dallas Kills 132; Wind Shear Is Suspected

GRAPEVINE, Texas — A Delta Airlines jet with 162 people aboard crashed and exploded in a fireball during a thunderstorm as it tried to land at Dallas-Fort Worth International Airport. The crash killed 131 people aboard the plane and one on the ground.

Federal investigators focused on wind shear, an abrupt change in wind direction or speed, as the most probable cause of the crash Friday night.

At least 28 passengers and three crew members aboard the plane, a three-engine, wide-body Lockheed L-1011 TriStar, survived. Most survivors had been seated in the back of the plane, which broke away from the rest of the fuselage.

By Sunday morning, only 19 of the 121 bodies recovered from the crash had been identified, said Dr. Charles Petty, Dallas County medical examiner.

More than 160 relatives went to Dallas on Saturday, bringing photographs, dental charts and other

clues, but Dr. Petty said some remains might never be identified.

Ed Finto, a spokesman for the Federal Aviation Administration, identified the plane as Delta's Flight 191, which originated in Fort Lauderdale, Florida. It was bound for Los Angeles with a stop at Dallas-Fort Worth.

The plane had been cleared for landing by controllers at the Dallas-Fort Worth airport, but as it approached the runway for its landing, witnesses reported "it was coming down at an altitude, nose down," said a Delta spokesman, Matt Guilfoyle.

Witnesses said the plane suddenly nose-dived and, as it neared the ground, struck several automobiles on State Highway 114.

Anthony Rogers, who was driving on the highway, said: "All of a sudden, a fire and a big jolt bounced my car. I got out, saw another car had been hit and the guy was 30 feet from his vehicle and had been decapitated." The aircraft then bounced several

times, he said, crashed into a huge water tank and exploded in a fireball.

The tail section and about the last 20 rows of passenger seats broke off and came to rest burning but intact on a swampy airport field. The survivors leaped from the fuselage to safety.

G. H. Patrick Bursley, a member of the National Transportation Safety Board, said a preliminary examination in Washington, D.C., of the aircraft's cockpit voice recorder and flight data recorder gave no hint of the cause.

"There's nothing in the cockpit voice recorder in the preliminary reading that indicates the pilot was conscious of trouble," Mr. Bursley said. "There was no indication of anything unusual."

Some witnesses said lightning bolts appeared to hit the plane as it approached the field. But because jetliners are electrically grounded, investigators doubted lightning was a factor.

Aviation's Worst Hazard  
William R. Greer of The New York Times reported from New York:

The conditions surrounding the jet crash at the Dallas-Fort Worth airport are typical of those associated with the violent wind shifts that are now considered aviation's worst hazard, an expert said Saturday.

The phenomena, known as wind shears or microbursts, have been blamed for 28 accidents since 1964, accounting for 491 deaths and 206 injuries, according to scientists at the National Center for Atmospheric Research, in Boulder, Colorado.

Wind shear, which results from a strong downdraft of air, plays havoc with an aircraft's aerodynamics. Similar to a cascade of water hitting the ground, it disperses air in all directions. A plane moving into this formation at low level will encounter winds that will tend to lift it at first, and an unsuspecting pilot will slow the throttle.

But once the plane reaches the other side of the shear, where the winds are moving with equal force in the opposite direction, it will be slowed suddenly, often to the point where the pilot cannot throttle fast enough to avert a crash.

James W. Wilson, a scientist who specializes in the study of wind shear at the center in Boulder, said the wind shear detection systems at most of the nation's airports were inadequate, including the one at Dallas-Fort Worth.

The systems consist of six to 12 wind sensors placed at ground level around the airfield to measure the speed and direction of the wind. The systems detect only wind shear close to ground level, and the gauges are so scattered that a severe wind shear can slip between them.

Mr. Bursley of the safety board said Saturday that at the Dallas-Fort Worth airport, only one of six sensors, at the center of the airport, was equipped to record, and that it was not near the doomed plane. Therefore any unusual wind di-

vergences will have to be reconstructed by other means, such as by reports from other planes, investigators said.

It could not be learned immediately why only one sensor was equipped to record.

In July 1984, the National Center for Atmospheric Research tested another system of detecting wind shear that used radar to detect abrupt changes in wind speed. The system, using Doppler radar, was put into place around Stapleton Airport in Denver and was tested that summer.

Mr. Wilson and officials at the Federal Aviation Administration, which paid \$308,000 to finance the test, said the Doppler system was able to predict 17 minutes in advance where a wind shear was going to occur, Mr. Wilson said. "It was tremendously successful."

However, the FAA cut off money for the system this summer because, officials said, it could no longer afford the expense.

## Black Miners In South Africa Threaten Strike

By Alan Cowell  
New York Times Service

JOHANNESBURG — South Africa's principal black mine workers union announced Sunday that it would call a strike for higher wages Aug. 25 at gold, diamond and coal mines. It also threatened further protests unless the authorities called off the country's state of emergency.

The union, representing at least 150,000 of South Africa's 550,000 black mine workers and regarded as the country's strongest black labor group, also said it would call a national mine strike if President Pieter W. Botha carried out threats to repatriate foreign black workers in reprisal for international sanctions against the country.

There was no immediate response from employers or from the government.

Cyril Ramaphosa, general secretary of the union, the National Union of Mineworkers, said in Johannesburg that if the work stoppage took place it would affect mines that yield 70 percent of South Africa's gold production.

Gold accounts for half of the country's foreign exchange earnings, and taxes on gold mining companies last year provided one-tenth of official revenues. More than 400,000 of the black mine workers are employed on gold mines.

The threat of a pay strike appeared designed to pressure employers into increasing raises of 19.1 percent for the lowest-paid black mine workers and of 14 percent for others. The union has demanded 22 percent for all its members, along with a say in scrapping laws that reserve the most lucrative mine jobs for whites.

The union's other demands, however, seemed to go beyond economic issues and to present an often-predicted political challenge to Mr. Botha from the increasingly militant miners union.

Moreover, the challenge coincided with the country's worst year of racial unrest in years.

The announcement of a strike came on the 15th day of a state of emergency around Johannesburg and in the eastern part of Cape province. Police said Sunday that 1,412 people had been detained since the emergency began and that 114 of those had been released, leaving 1,298 still in detention.

In isolated incidents of unrest, the police said that a 39-year-old black woman had been dragged from her home in a township near Port Elizabeth, in the eastern Cape, and accused of being a police informer. A crowd tried to burn her to death.

At least 24 persons, by official count, have died since the emergency was proclaimed after months of unrest in black townships that claimed more than 500 lives.

On Saturday, about 1,500 black mourners challenged without serious incident regulations imposed under the emergency decree that (Continued on Page 2, Col. 6)

## Police Find Mortar Van In Ulster

Compiled by Our Staff From Despatches

BELFAST — British Army bomb disposal experts blew up four home-made mortar shells placed in a van near the police station in the town of Newry, Sunday, following a planned attack similar to one that killed nine police officers in February.

Meanwhile, the Sunday Times of London reported that the outlawed Irish Republican Army had a new chief of staff and identified him as Gerry Adams, the member of Parliament for West Belfast.

The paper said Mr. Adams' appointment was secretly ratified last month by the IRA's seven-man executive and its 13-member Army Council.

Mr. Adams is president of Sinn Féin, the political wing of the Provisional IRA and the legal front of a movement which is proscribed in Northern Ireland and in the Irish republic.

Sinn Féin in Belfast denied the appointment, but political observers said the denial was inevitable since Mr. Adams would risk arrest as a member of a banned organization.

"We have no knowledge that Gerry Adams is a member of the IRA," a Sinn Féin spokesman said. "A load of rubbish."

In another development, Martin Galvin, a prominent American sympathizer of the Irish Republican Army, arrived in the Irish republic over the weekend.

Mr. Galvin, a lawyer and the publicity director of the New York-based Irish Northern Aid Committee, known as Noraid, defied a British ban on entering Northern Ireland last year to attend a rally Aug. 12. Police trying to arrest him charged the crowd, killing one man and injuring 20 others with plastic bullets.

Mr. Galvin refused Sunday to say whether he would again defy the ban.

Mr. Galvin, speaking at the Dublin headquarters of Sinn Féin, said: "I am not stating at this time whether I will cross the border. It would be wrong to reward the cen-

(Continued on Page 2, Col. 3)

## Tehran's Weapons Connection

### Sophisticated Agents Penetrate U.S. Supply Network

By Gaylord Shaw  
and William C. Rempel  
Los Angeles Times Service

WASHINGTON — Iran is conducting an increasingly sophisticated multifaceted campaign to penetrate U.S. military stockpiles and defense suppliers in its search for weapons and spare parts to sustain the war with Iraq.

Interviews with investigators and officials in the United States and abroad, and the examination of thousands of pages of government documents, has produced evidence that Iranian agents have succeeded in buying spare parts and other military hardware directly from military supply depots, from U.S. businessmen and from a range of other sources.

Some of the agents of Iran's leader, the Ayatollah Ruhollah Khomeini, operate under the aegis of the Iran Air Force Logistics Support Center (Europe), and work out of a London office that also houses the National Iranian Oil Co.

They have sought to buy, steal and smuggle American-made weapons, spare parts and supplies to repair sophisticated U.S. equipment purchased by the Shah of Iran before he was overthrown in 1979. These weapons have been severely depleted by the five-year war with Iraq.

The United States imposed a total arms embargo during the 1979-80 crisis when Americans were held hostage in Iran. And even though hundreds of shipments have got through to Tehran, administration officials say the smuggling operations have filled only about 10 percent of Iran's requirement for

weapons and that the embargo's success has increased Ayatollah Khomeini's desperation.

In their first quests for U.S. equipment, the Iranians apparently were swindled out of millions of dollars. In one such fraud, crates labeled "farm equipment" — but thought by the Iranians to be holding vital war materiel — were

In the last year, 54 individuals and eight companies have been accused of violating the arms embargo.

shipped to secret warehouse in Belgium. The Iranians paid open the crates and found rusty farm equipment.

Such swiftness quickly gave way to sophisticated bargaining, however. As suggested by the two most recent Iranian smuggling cases — one last month in San Diego involving U.S. Navy personnel and the arrest Thursday of a career U.S. Army officer — Tehran's agents are now trying to penetrate the U.S. military and its supply system more directly.

They are using 32-page single-spaced computer printouts with specific 11-digit codes corresponding to the U.S. military's national stock system to order materiel. In addition, they exhibit increas-

ing caution about the reliability of delivery. They insist, for example, that purchased cargo be inspected before payment, preferably outside the United States.

Although many of the Iranian schemes have been stopped by U.S. undercover agents in recent months, federal officials say, they acknowledge that hundreds of arms shipments have gone through undetected over a period of almost five years.

The amount of money Iran has available for this procurement policy is suggested by the existence of individual purchase orders amounting to hundreds of millions of dollars, voluminous shopping lists and the high prices of sophisticated military gear. In addition, transcripts of tape-recorded meetings with Iranian agents indicate they have boasted casually about having access to \$500 million each for different groups of arms purchases.

"They act like they've got a bottomless pit of cash," a customs investigator said.

Documents in one case suggest that two American agents, as a bonus for obtaining airplane parts, were offered commissions of up to \$80,000 a day for selling discounted Iranian oil.

The most startling disclosure in the investigations of Iran's ability to penetrate U.S. security came Thursday, however, with the indictment of a Pentagon missile expert, Lieutenant Colonel Wayne G. Gillespie, who has been in the army 25 years.

He is accused of conspiring with international arms merchants and Iranian government officials to sell thousands of the most advanced U.S. and French missiles to Ayatollah Khomeini's regime for more than \$140 million.

A week earlier, seven other persons, among them a navy supply specialist on the aircraft carrier Kitty Hawk and a civilian employee of a military arms depot, were indicted in San Diego for stealing Phoenix missile components, critical parts for the F-14 fighter jet and other equipment and supplies and smuggling them to Tehran.

Despite these arrests, there have been instances of poor coordination between the U.S. agencies involved in combating the smuggling.

The State Department security office, for instance, did not know until interviewed by reporters that the Customs Service, federal prosecutors and defense attorneys in San Diego had transcripts detailing an accused smuggler's use of State Department telephones to contact an

## Ruling Party Convenes In Burma

By Barbara Crosscut  
New York Times Service

RANGOON, Burma — The ruling Burmese Socialist Program Party opened its fifth major party convention this weekend, and diplomats and Burmese say they are watching the agenda for clues to who might be in line to succeed General Ne Win, who has ruled the country since 1962.

The meeting, which is expected to last a week, is also being watched for indications of how the government intends to tackle the serious problems facing the Burmese economy. Some ministerial changes are expected, diplomats in Rangoon say.

Under General Ne Win's so-called Burmese Way to Socialism, the country was almost entirely cut off from the outside world for nearly a decade as economic institutions remaining from the British colonial period before World War II were nationalized. The results were disastrous, according to government figures.

By the early 1970s, Burma, following a policy of strict nonalignment, began to reopen cautiously to outside assistance and to liberalize slightly at home, where a thriving black market now meets many consumer needs.

Diplomats say they are waiting to see if these trends will continue and, if so, at what pace. Preliminary papers prepared for the party meeting are reported to continue a policy of seeking assistance from Western and international lending institutions. Burma is one of the world's poorest countries.

General Ne Win, the 74-year-old chairman of the party, has run the country more or less single-handedly since he overthrew the last democratically elected government.

The general has now decided to create the position of party deputy chairman. An amendment to change the party constitution has been made ready to be presented to the 1,186 convention delegates.

The party's last convention was in 1981. In that year, General Ne Win stepped down as the country's president, relinquishing ceremonial duties to U San Yu, who assumed the title in 1982.

But General Ne Win retained the more powerful post of party chairman. No organized political opposition is permitted in Burma, and the party is, in effect, the government.

The general is expected to be re-elected.



## Head-On Train Crash Kills 32 in Southern France

An express from Paris carrying vacationers collided at high speed Saturday with a local train on a single track near the station at Flajac, 95 miles southeast of Bordeaux. Fifty-eight persons were hospitalized in serious condition. Local officials said the crash may have resulted from confusion over timetables. The express, which operates weekly in vacation periods, was running late on a track usually free of other trains.

## India's Gujarat: A State 'Gone Mad' With Violence

By Steven R. Weisman  
New York Times Service

AHMADABAD, India — The shops in one of the busiest parts of this historic city remain shuttered most of the day. Frightened residents and merchants cover indoors, wondering when the next round of violence will erupt.

After five months of continual bombings, shootings and stabbings that have killed at least 250 people and wounded hundreds more, Ahmadabad is struggling to bring an end to some of the worst Hindu-Muslim and caste fighting in years.

Ahmadabad and the surrounding state of Gujarat on India's western coast have long been a prosperous region of textile mills, factories and farms. But the violence has turned the state into a virtual war zone. As former Prime Minister Morarji Desai put it recently, "Gujarat has gone mad."

Ironically, it was here, on the marshy banks of the Sabarmati River, that Mohandas K. Gandhi began the struggle for Indian independence dedicated to nonviolence. From Ahmadabad, in 1930, he led his march to the sea to protest the British salt tax.

Now at the Gujarat Vidyapeeth, an academic center dedicated to Gandhian traditions, students and teachers pray and spin cotton between their studies. "It is yet a mystery to me how it began," a professor said of the fighting.

"The violence seems highly organized, but who is doing it?" he said. "Why has it gone on so long? What has gone wrong? Those are the questions we are asking ourselves here."

On Relief Road, a principal artery in the old

walled city that divides the area's Hindu and Muslim neighborhoods, residents said they were afraid to venture out in the narrow and shadowy streets.

"We all opened our shops this morning because the curfew was lifted," said Manmool Gohaldas, 69, the owner of an appliance store. "Then there was a bomb explosion and a stabbing, and everyone closed up again."

In Hindu-Muslim violence, families have been burned alive by mobs, and others have retaliated by hurling homemade bombs, cement

blocks and bricks at each other. In June, Madhabsinh Solanki, chief minister of Gujarat, was dismissed by leaders of the governing Congress Party, including Prime Minister Rajiv Gandhi, after failing to curb the police violence.

Mr. Solanki was also criticized for his inability to end a strike by government employees and a student strike that has shut all the city's schools since March. Both strikes were called to protest the government's system of preferences for people of lower castes for jobs, promotions and educational enrollment.

Caste conflict has long been part of Gujarat's history. It reappeared after Mr. Solanki, apparently in a bid for votes, raised the job and education quotas for lower castes a few weeks before state legislative elections.

He won the election overwhelmingly, but angered the city's wealthy upper-caste families. The strike, led by groups of parents and medical students, continued even after Mr. Solanki withdrew the new quotas.

A promise by Mr. Solanki's successor, Amar-sinh Chaudhry, to reconsider some of the existing quotas led to an agreement with some, but not all, of the striking groups.

The conflict between Muslim and Hindu groups also continues, apparently independently of the caste conflict. Many of those interviewed suggested that political leaders in the government or the opposition had contributed to stirring up the sectarian unrest.

"The government itself is instrumental in inciting people," said Chingabhai Patel, a leader.

(Continued on Page 2, Col. 3)

### INSIDE

Thousands went to a Moscow cemetery to honor an underground poet who died five years ago. Page 2.

### SPORTS

West Germany defeated the United States in a Davis Cup quarter-final as Becker beat Krickstein. Page 13.

### BUSINESS/FINANCE

The U.S. economy remained weak in July, purchasing managers reported. Page 7.

Egypt was urged by the International Monetary Fund to enact an austerity program because of its debts. Page 7.



### TOMORROW

Aug. 6 marks the 40th anniversary of the day that time stood still in Hiroshima: The atomic bomb exploded over the city at 8:16 A.M.



# Fans Share Poems, Taped Songs at Grave of Soviet Actor-Poet

By Seth Mydans  
New York Times Service

MOSCOW — They gathered at the cemetery again last week in the rain, thousands of Russians carrying bouquets, sheaves of poems and tape recorders from which a gruff voice sang of the ironies and hardships of their lives.

People who had never met him or heard him sing during his lifetime exchanged fond stories about this hard-living, hard-drinking man and scribbled down the lyrics of his songs.

It was the fifth anniversary of the death of Vladimir Vysotsky, an actor and poet, a man whose songs were barely tolerated by authorities during his lifetime and who has become, since his death at the age of 42, probably the most idolized figure in the Soviet Union.

The line at the Vaganokovskoye Cemetery stretched along the graveyard's yellow plaster wall, around the corner on 1905 Street and toward a railway overpass. At his grave, where someone had placed a large photograph of Mr. Vysotsky holding his guitar, the bouquets grew into multicolored heaps, and candles burned beside small offerings of food. From time to time people placed tape recorders by the tombstone, and his voice, roughened, some say, by alcohol



Hundreds of bouquets and photographs adorned the grave of Vladimir Vysotsky on the fifth anniversary of his death.

and Marlboro cigarettes, filled the air.

Though Mr. Vysotsky is not an officially approved hero, the authorities bowed to the force of popular sentiment. Hundreds of policemen kept order, blocking off traffic and ushering visitors toward the grave.

While he was alive, Mr. Vysotsky was a popular if sometimes controversial actor in films and at the Taganka Theater. But although the authorities recognized him as an actor and granted him the freedom to marry a Frenchwoman, Marina Vlady, the actress, and to travel abroad, his songs were not published in his lifetime.

Mr. Vysotsky's underground life quickly overtook his official career, though he remained an extremely popular actor. He sang for small groups, and his songs spread through the country on homemade recordings.

The extent of his popularity became clear only on his death on July 24, 1980, of a heart attack.

Without any official announcement or organization, 100,000 people gathered outside the Taganka Theater in a mass demonstration without parallel in the memory of people here.

As his popularity has continued, limited and carefully selected editions of his lyrics have been published officially, and Melodiy, the

recording monopoly, has issued a record of some of his milder songs. But the main distribution point for his music and the wellspring for his continuing legend remains the cemetery, where admirers gather to honor him.

Most people seemed to find it difficult to explain what it was about Mr. Vysotsky that brought them to the cemetery.

A man spoke of the singer's lack of sentimentality. "It is not birch trees at dawn and tears in my eyes," he said. "He calls a dog a dog."

Another admirer said: "He speaks for all of us about our daily lives. He has a true Russian soul and a Russian heart."

A young man said: "He is without tears. He is beyond tears."

In one song Mr. Vysotsky compared himself and his countrymen to a wolf pack that is hunted down relentlessly by men who stake out the boundaries of their lives with red flags.

"Why do we run into the guns?" the song asks. "Why do we not try to escape?" And the pessimistic answer: "A wolf cannot change his ways."

"We learn it as little cubs," the song says. "We drink it in with our mothers' milk: 'Don't go beyond the flags.'"

## WORLD BRIEFS

### Israel Stiffens West Bank Security

JERUSALEM (WP) — Responding to a wave of killings of Israelis by Palestinian nationalists, the Israeli government decided Sunday to apply a series of harsh security measures in the occupied West Bank and Gaza Strip, but stopped short of acceding to demands that it execute convicted terrorists.

The cabinet voted to deport to Lebanon or Jordan "persons who constitute a security risk," detain indefinitely and without charges Arabs suspected of security offenses, increase prison capacity in the West Bank and close Arab newspapers that violate censorship by publishing material judged inflammatory. All the measures exist under current Israeli statutes but have been, for the most part, unused for three years because of legal obstacles and appeals.

In the last year, Palestinians have killed at least 11 Israelis, either kidnapping them in remote areas of Israel close to the West Bank boundary or shooting them in crowded streets of West Bank towns. The two most recent incidents, in which three Israelis were killed, have occurred since July 21.

### Soviet Orders Economic Reforms

MOSCOW (AP) — The Communist Party initiated some of the economic changes mandated by the Soviet leader, Mikhail S. Gorbachev, with a decree published Sunday in Pravda ordering new price incentives, industrial building policies and wider powers for local decision making. The decree, issued by the party's Central Committee and the Council of Ministers, set down changes in the role of the powerful state planning commission. It said government bodies charged with maintaining product quality must take more responsibility, and ordered a system of incentives and fines to be applied initially to factories producing high-technology machinery.

In June, Mr. Gorbachev said in a speech that the centralized economy should be more responsive to demand, manufacturing quality should be improved and obsolete factories rebuilt, and local managers should have more autonomy.

### Uganda Says Leader Met Guerrillas

KAMPALA, Uganda (UPI) — Ugandan radio said Sunday that Prime Minister Paulo Muwanga told diplomats that he had met representatives of guerrillas who fought the previous regime, in talks aimed at forming a broad-based interim government. The guerrillas denied the assertion.

Mr. Muwanga, who was sworn in Thursday after a military coup overthrew President Milton Obote on July 27, reportedly told the diplomats that a consensus had been reached in talks with Uganda's main political parties and the National Resistance Army on prospective candidates for a cabinet.

In Nairobi, a spokesman for the guerrillas, Matthew Rukikira, denied that members of the resistance had met Mr. Muwanga, and he rejected the claim of consensus. The cabinet under Mr. Muwanga is to administer Uganda until elections, which the ruling military council has promised will be held in a year.

### Bolivian Forms Presidential Majority

LA PAZ (AP) — Victor Paz Estenssoro won a pledge of support from his chief leftist rival Sunday that appeared to assure his election in Congress as Bolivia's next president.

Hugo Banzer Suarez, who ruled Bolivia as an army general from 1971 to 1978, won 28.5 percent of the popular vote in July 16 elections to 26.4 percent for Mr. Paz Estenssoro. Another 16 candidates shared the rest of the vote, and the constitution requires the Senate and Chamber of Deputies to jointly choose the president from the top vote-getters if no candidate wins at least 50 percent of the votes.

The Revolutionary Nationalist Movement party of Mr. Paz Estenssoro, 77, won 59 of the 157 congressional seats in the July elections. Before Sunday's session, he had obtained pledges of another 13 votes. On Sunday he was promised 16 votes, enough for a majority, by the Leftist Revolutionary Movement, which finished third in the popular vote.

### Managua Official to End Anti-U.S. Fast

MANAGUA (UPI) — Aides to Foreign Minister Miguel D'Escoto Brockmann of Nicaragua said Sunday that in two days he would end a month of fasting, which he undertook to protest U.S. policies against the Sandinista government.

Father D'Escoto, a Roman Catholic priest, reportedly made his decision after his doctor warned that the fast had reached a point where it was endangering his life.

The foreign minister weighs 172 pounds (78 kilograms). He weighed 205 pounds when he started fasting.

### For the Record

The space shuttle Challenger had its weeklong mission extended by one day as mission control in Houston directed the commander, Colonel C. Gordon Fullerton, to land at Edwards Air Force Base, California, on Tuesday instead of Monday.

Alaska's governor, Bill Sheffield, a Democrat, should not be impeached for his role in a \$9-million state leasing scandal, the Rules Committee of the state Senate recommended Saturday.

Jim Chapman, a Democrat, won the U.S. House of Representatives seat for the First District of Texas on Saturday, defeating Edd Hargett, a Republican, by 52,670 votes to 50,736. The former holder of the seat, Sam B. Hall Jr., a Democrat, resigned to become a federal judge.

Kim Dae Jung, a leading South Korean opposition figure, was freed Saturday from house arrest. He had been confined to his home since Wednesday.

The Soviet Union has expelled all personnel of the Liberian Embassy in retaliation for Liberia's severing of diplomatic relations on July 18, Tass announced.

## Turkey to Ask Revisions In U.S. Aid Agreements

By Henry Kamm  
New York Times Service

ANKARA, Turkey — Turkey wants more U.S. military aid and will seek fundamental revisions in the military and economic cooperation agreement expiring in December, according to senior officials and military officers directly involved.

Under the five-year agreement, the United States operates from several military, intelligence-gathering and communications bases, and stations 6,000 to 7,000 troops in Turkey.

The Turkish government believes that the Reagan administration fails each year to request the amount needed for a costly modernization of Turkey's armed forces, and the U.S. Congress, under pressure from Greece, cuts the appropriation even further.

For fiscal 1986, the Reagan administration requested \$939 million in security assistance, of which \$150 million would be economic aid and \$789 million military aid. Congress scaled the military portion down to \$714 million.

In the Turkish view, shared in the Pentagon, the modernization objectives for the Turkish military require \$1.2 billion yearly for a decade.

The Turkish military is still preparing the request for a new agreement, which is to be presented soon, and Prime Minister Turgut Ozal declined to discuss specific demands. He also would not discuss what Turkey might do if the

United States failed to meet them. Asked to comment, a State Department official familiar with Turkish affairs said in Washington: "None of this is anything new. We've had all sorts of indications that they would like to revise the agreement, but nothing has been formalized yet."

"The Turks are clearly frustrated," the official said. "There is a degree of dissatisfaction about how the relationship is going. But they not only get a lot of aid, they get it on very favorable terms. The idea that by renegotiating the base agreements, for example, they can get a better deal from Congress is a pipe dream. This is no perfect agreement from our perspective, either. If Turkey wants to open it up for changes, we might too."

Mr. Ozal emphasized what he called the complex nature of the issue and Turkey's importance to the Atlantic alliance, not only because it guards frontiers with the Soviet Union and Bulgaria and the straits from the Black Sea into the Mediterranean, but also because it shares borders with Iran, Iraq and Syria.

Mr. Ozal said Turkey was not treated fairly in comparison with the two top beneficiaries of U.S. military aid, Israel and Egypt, the only countries that receive more than Turkey.

Congress has approved spending authority in each of the next two years of \$3 billion for Israel and \$2.1 billion for Egypt, in addition to one-time infusions of emergency economic aid of \$1.5 billion for Israel and \$500 million for Egypt.

"We are spending a lot for our armed forces," Mr. Ozal said. "This affects our economic development."

Turkey's per capita gross national product in 1983 was \$1,102, the lowest in the North Atlantic Treaty Organization.

Mr. Ozal said that during his visit to Washington this year he stressed an easing of protectionism rather than more military aid. He said protectionism limited the export of such Turkish products as textiles and steel goods, and he also said Turkey received little help in reducing a trade deficit of \$800 million with the United States.

The Turkish request will not be an ultimatum, both civilian officials and military officers said, and no thought apparently exists of abandoning the accord. But senior American officials agree with a Turkish contention that Turkey readily provides more facilities than its commitments under its public and secret agreements with the United States.

Political and military analysts say Turkey has considerable room for applying pressure. U.S. military planners consider the installations in this country vital in view of Turkey's long border with the Soviet Union and its critical position between Europe and the Middle East, as well as its position between the Mediterranean and the Black Sea, where one-third of Soviet naval strength is based.

The United States monitors Soviet nuclear and missile tests and other military operations as well as space and strategic nuclear development from stations in Turkey. Ground-to-air missiles with nuclear warheads guard the Bosphorus and Dardanelles. Incirlik Air Base is the most forward U.S. fighter-bomber station in the eastern Mediterranean.

Turkish resentment is particularly strong at Congress' insistence on maintaining a 7-to-10 ratio in allocating military assistance between Greece and Turkey.

"The role of Turkey in this area is much more important than Greece," Mr. Ozal said.



Gerry Adams, left, was reported by The Sunday Times of London to have replaced Martin McGuinness, right, as chief of staff of the Irish Republican Army. He denied the report.

## Ulster Police Find Mortars Near Site of Earlier Attack

(Continued from Page 1)

sorship ban the British government has placed on me."

Mr. Galvin briefed 120 Northern members who left by bus for a two-week visit to Northern Ireland.

In Newry, police said they found an unoccupied van carrying explosives parked Saturday near one of the town's busiest streets. Mortar shells in the back were pointed at the Edwards Street police barracks 400 yards (365 meters) away.

The van was parked about 50 yards from the spot where a truck laden with mortars shelled the police station Feb. 28, killing nine members of the Royal Ulster Constabulary, including two women, and injuring 10 others. The IRA claimed responsibility for that attack.

It was described at the time as the worst single assault on police in the province in the past 16 years of violence, in which nearly 2,500 people have been killed.

A police spokesman said a repeat attack apparently had been planned. He said there was no indication of why the van was abandoned.

The police said the army blew up

the van after evacuating nearby houses early Sunday because it was considered too dangerous to try to move the explosives. The van contained four pipes primed with 40 to 50 pounds (18 to 22 kilograms) of explosives, a spokesman said.

If the report of Mr. Adams' appointment as IRA chief of staff is true, then he has taken over the military post from Martin McGuinness, who made headlines last week when the British Broadcasting Corp. canceled a documentary program featuring him after strong protests from Home Secretary Leon Brittan.

Mr. Adams, 36, is the architect of the IRA's "bullet-and-bomb" strategy to try to drive Britain out of Northern Ireland. This calls for a joint policy of guerrilla attacks combined with a political challenge in local and national elections in the province.

He was elected member of Parliament for West Belfast in 1983, but has declined to take his seat in the House of Commons.

He was arrested in March 1972 and interned in Belfast's Maze prison until May 1972, when he was released.

(AP, UPI)

## Abortion Legal in Spain; Church, Doctors Protest

By Edward Schumacher  
New York Times Service

MADRID — Abortion has become legal in Spain over the bitter objections of many doctors and a statement by the Spanish Roman Catholic Church that anyone "who cooperates physically or morally" in the operation will be "automatically excommunicated."

The regulations enacting the new law, signed July 5 by the Socialist government of Prime Minister Felipe Gonzalez after nearly two years of court battles, went into effect Saturday.

The law limits abortions to cases of rape, a malformed fetus or danger to the mother. All abortions were illegal before. The operation is free of charge in public clinics.

Authorities said they expected 25,000 abortions to be performed in the first year, but hostility by the church and leaders of the National Medical Association suggests that many Spanish women will still have difficulties getting the operation.

The sweeping declaration of excommunication was made by the National Council of Bishops five weeks ago and has been regularly repeated by bishops and priests speaking from the pulpit.

"Decriminalization is a morally unjust and pernicious decision," the bishops said. "The life of the new human being is stripped of its rightful protection and left to the mercy of others."

Archbishop Antonio Rouco Varela of Santiago created a political stir when he harshly condemned the law in a sermon before King Juan Carlos I and government officials at a mass July 25 celebrating the patron saint of Spain, St. James. He said abortion violated "human rights."

Spain, which is almost totally Catholic, has been greatly liberalized since the death of Franco 10 years ago. Polls indicate that most Spaniards now back abortions in at least the law's limited cases.

"The law does not grant abortion

on demand," a Health Ministry official said in a radio interview. "The law protects the rights of the unborn child and will be strictly enforced."

The ethics commission of the Medical Association, however, declared recently that it opposed all abortions, except in cases of rape, for fear the law would lead to widespread abortions. A 1983 poll of association members showed that nearly half opposed any abortions.

Seeking to avoid suits by doctors, the government's regulations were loosened just hours before publication to allow doctors to exempt themselves from having to perform the operation in public clinics.

A doctor, however, must notify the authorities of his decision, a requirement that the governing board of the Medical Association said infringed on doctors' rights.

"We are ready not to give any list," Dr. Ramon Rivero, president of the association, was quoted Saturday as saying in the newspaper Diario 16. He said he personally favored an inquiry by the association on any member who accepted the regulations and submitted his name.

Officials of the Ministry of Health said an abortion hot line was being installed to give Spanish women information they fear doctors may withhold.

Those favoring the right to abortion reacted skeptically to the exemptions for doctors.

"The ministry's regulations lend themselves to a situation in which at no moment does a woman have a guarantee of right to abortion," said Consuelo Razo Jarabo, a leader of the Association for the Defense of Public Health.

A law legalizing some abortions was pushed through by the Socialists in 1983, but the main conservative opposition party, Popular Alliance, appealed it to the Constitutional Tribunal, preventing it from taking effect.

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Police patrol the walled city of Almadabad in security buses.

## Gujarat: A State 'Gone Mad' With Violence

(Continued from Page 1)

er of the opposition Janata Party. "They did it to divert attention from their own scandals."

Government officials, including the prime minister, counter by charging that the caste agitation was spread by the opposition.

Others blame what a well-placed police source termed "the criminal-politician-police nexus," especially strong in Gujarat, which enforces prohibition.

This source said, for instance, that hundreds of low-level and underpaid police constables received

payoffs from the dozen organized crime groups that run the city's bootlegging, gambling and extortion operations. Politicians and political parties are also said to receive money from these groups.

The source said that whenever the police planned to raid one of these operations, the criminals were tipped off. He added that whenever one of the crime leaders was arrested, someone with political influence engineered his release.

"Crime is a very big business here," the source said. "They have a mini-empire of their own."

The recent disturbances, many of those interviewed said privately, spread after a breakdown occurred in the order of this criminal system, which exacerbated latent religious and economic tensions.

## Yugoslav Is Given Reduced Sentence

Reuters

BELGRADE — The Yugoslav Federal Court has reduced the prison sentence of a disident sociologist, Vojislav Seselj, from four years to two years and two months, according to a Belgrade newspaper, Vecernje Novosti.

Mr. Seselj was sentenced to eight years imprisonment in July 1984 for counterrevolutionary activities, but a higher court later reduced the

charge to hostile propaganda and the sentence to four years. The Federal Court then dropped some of the charges and reduced the sentence.

Mr. Seselj's family said that, with time served, including time in detention for questioning, Mr. Seselj could be free in seven months. Prison authorities forced Mr. Seselj in February when he went on a hunger strike.

## South Africa Miners Threaten Strike

(Continued from Page 1)

limit the size and nature of funerals for victims of civil unrest.

Ignoring rules that forbid political speeches at funerals and that outlaw funeral marches through black townships, mourners in the settlement of Zwijve, near Port Elizabeth, chanted slogans praising the outlawed African National Congress.

They then jogged through the streets between the church and the cemetery to escort the coffins.

Eighty to 100 white soldiers and policemen, armed with whips and automatic rifles, confronted the mourners after the burial Saturday.

The soldiers descended from six armored vehicles and formed a line on the roadside as a 500-yard (450-meter) funeral convoy made up of pickup trucks and buses went by, led by a black hearse.

After 15 minutes of tense but uneventful confrontation, troops and policemen climbed back into their armored cars and drove past the convoy.

There were no immediate reports of incidents Saturday. Although the mourners could argue that they defied the new regulations with impunity, the police and the army could say that the number involved was insignificant.

In a statement issued at Sunday's press conference, the National Union of Mineworkers said Mr. Botha was "seeking a confrontation" with mine workers "by threatening to repatriate migrant workers."

"Should he attempt to proceed with his ill-advised threat," the statement said, "our union would immediately call a national strike of all miners and stop all the mines until he reverses all action he may have taken."

By South African law, 97 percent of all black mine workers must be migrant workers. These workers live in single-sex hostels in mine compounds while they work out one-year contracts. Of the migrants, 40 percent are from neigh-

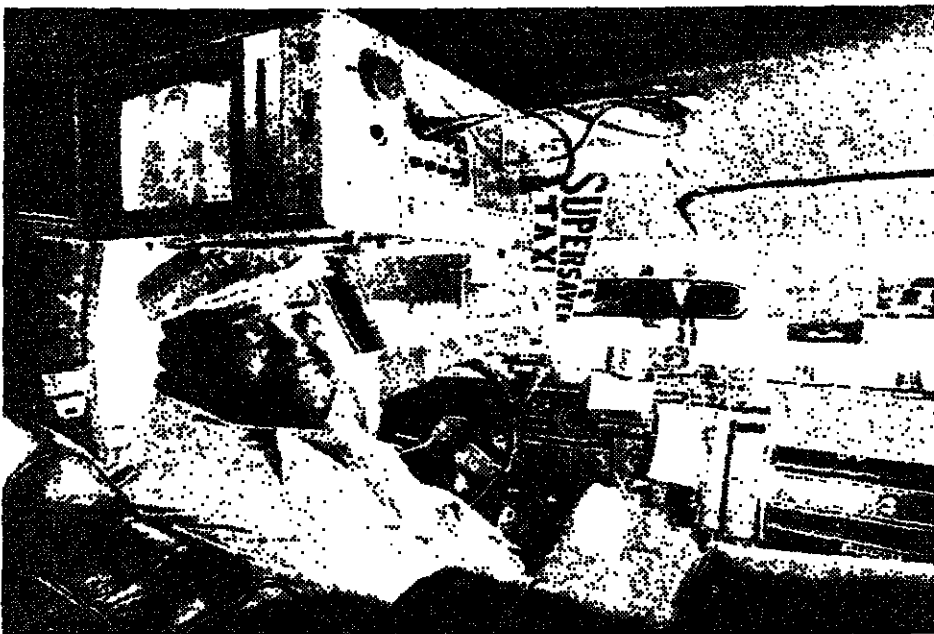
boring countries such as Lesotho and Mozambique.

The mine workers' statement said unspecified action would be taken if Mr. Botha did not "immediately withdraw his threat" to repatriate foreign workers. The warning appeared to represent a direct challenge to Mr. Botha's authority.

The statement said the state of emergency "should be withdrawn within 72 hours, failing which boycotts of all white businesses near the mining towns will be embarked upon."



## AMERICAN TOPICS



**PAMPERING THE PASSENGERS** — John Cloak of Chicago calls his cab the "space shuttle." He has installed a bar, television, telephone, video recorder, stereo, 25 internal mood lights and "air cologne." Mr. Cloak says he takes in about \$1,200 a week.

### How Reagan Rates As an Arm-Twister

Ronald Reagan ranks right up there with Franklin D. Roosevelt and Lyndon B. Johnson as a president who can twist arms to make members of Congress do it his way.

"The magical ingredient" of a telephone call from the president, according to Martin T. The New York Times, "is a president's ability to help or hinder a congressional career." Presidents can offer patronage jobs, campaign help and support of a congressman's pet legislation. They also can refuse all these.

But presidential arm-twisting also requires a skillful pursuit of the art of politics, which the late Jake Arvey, once Chicago's Democratic boss, defined as "the art of compromise or the art of the possible."

Mr. Reagan is a master of the technique, but Johnson was a veritable artist. Robert C. Byrd, Senate minority leader, recalled, "I have never seen anyone who could twist an arm as well and as painlessly as could Lyndon Johnson."

John F. Kennedy liked to take congressmen on the presidential yacht, the Sequoia. Richard M. Nixon "didn't enjoy the arm-twisting the way President Johnson did," recalled William Timmons, a White House liaison man with Congress. Not so Gerald Ford. Mr. Timmons recalled, "Mr. Ford had no hesitancy in buttonholing congressmen and 'he worked them good, on a personal basis.' And Jimmy Carter, who got rid of the yacht? A veteran Republican senator remarked that 'Jimmy Carter makes Richard Nixon look like an extrovert.'"

### Notes on People

Edward M. Kennedy Jr. says he has decided not to run next year for the Massachusetts congressional seat of Thomas P. (Tip) O'Neill Jr., speaker of the House of Representatives. Mr. Kennedy, 23, who lost his right leg to cancer when he was 12, said he would continue working as an advocate for disabled people. "Every indication showed that I could do well, if not with the thing," he said. He said that his father, Senator Edward M. Kennedy, Democrat of Massachusetts, had neither encouraged nor discouraged his candidacy.

Mark White will act the part of the governor of Texas, which he is in a coming episode of the "Dallas" television series, even though he flubbed his only line. Playing himself, he was to say, "It's really wonderful being here with you all today. Thank you!" But it came out, "Thank you, it's really great to be out here with all you all today." The Dallas technicians decided that "all you all" was acceptable, if unusual, Texan.

### Short Takes

Betsy Nelson, 33, is suing a sporting goods store in Falls Church, Virginia, for \$600,000, charging she was falsely accused of shoplifting a basketball and forced to partly disrobe. The bulge was there because she was nine months pregnant. The day after the incident, she gave birth to a healthy boy.

Circulating in government offices in Washington is the following list, which has no explanation but speaks for itself:

Lord's Prayer: 56 words.  
Twenty-third Psalm: 118 words.  
Gettysburg Address: 226 words.  
Ten Commandments: 297 words.  
U.S. Department of Agriculture order on the price of cabbage: 15,629 words.

**Shorter Takes:** Four years after an extensive federal study identified 2,884 unsafe dams in the United States, little has been done to prevent a tragedy such as the one that killed more than 200 people in Italy last month, according to Joe Elam, head of the Association of State Dam Safety Officials. . . . Illegal cultivation of marijuana has been reduced 50 percent along the northern California coast by a two-year campaign of federally financed helicopter raids, according to local officials. But they concede many growers who have been forced out probably are growing the stuff elsewhere.

### A Tongue-Twister, Intentional or Not

Remember the old exercise in proper enunciation, "Peter Piper picked a peck of pickled peppers?" Mark S. Fowler, chairman of the Federal Communications Commission, in expressing gratitude for work by Peter K. Pitsch, chief of the agency's Office of Plans and Policy, and his staff, wrote, "Thanks to C.F.P., Peter Pitsch and your people, Peter!"

—Compiled by ARTHUR HIGBEE

## Peru Says It Will Pay Debt Interest Owed to U.S.

Compiled by Our Staff From Dispatches  
LIMA — Peru will pay the United States \$123,000 in overdue interest, Foreign Minister Alan Wagner Tizon has announced. He said Peru would ask Washington to renew the economic and military aid it had suspended because of the delinquent debt.

Mr. Wagner made the announcement Saturday after a 40-minute meeting between President Alan García Pérez and the U.S. ambassador, David C. Jordan.

Radio station Radioprogramas quoted Mr. Wagner as saying: "Everything has been magnified. Peru is willing to make the payment."

Radioprogramas quoted Mr. Jordan as saying that the suspension had been taken more seriously than intended, and indicated that Peru would pay the debt.

The radio station quoted unidentified U.S. officials in Lima as saying that U.S. aid would be renewed immediately after the payment was made.

The State Department banned new aid to Peru on Friday when the South American nation fell a year and a day behind on payment of a \$200,000 military loan.

U.S. law requires a halt in new aid to nations that fall more than a year behind on repayment of development or military loans.

A spokesman for the official press agency Andina said there would be no formal statement from the government on the aid cutoff.

The United States is the largest provider of economic and military aid to Peru. It supplied about \$600 million during the five-year term of President Fernando Belaúnde Terry, which ended last month.

At his inauguration July 28, President García said Peru would not spend more than 10 percent of its export earnings, currently totaling just over \$3 billion dollars annually, on foreign debt payments while trying to renegotiate its foreign debt.

Peru is suffering the worst economic crisis in its history. Its foreign debt is \$13.6 billion, and it is \$425 million behind in its interest payments. Inflation in the South American nation is running at more than 160 percent annually.

**Castro Rejects García Plan**

President Fidel Castro of Cuba, in a speech Sunday that closed a Latin American economic conference in Havana, rejected Mr. García's plan to restrict debt service repayments. Reuters reported.

Mr. Castro said, "The policy of paying back 10 percent of export revenue would not resolve the problem."

He described the region's huge foreign debt as a "cancer that must be rooted out" and restated his belief that only cancellation of the \$340-billion debt could solve Latin America's economic crisis.

## Chile Police Chief Resigns in Murder Case

SANTIAGO — President Augusto Pinochet of Chile has replaced the head of the paramilitary police force after a judge implicated 14 members in the murders in March of three Communist opponents of the military government.

General Rodolfo Stange, 59, the former deputy police chief, was appointed commander Friday and was also sworn in as a member of Chile's ruling junta.

He replaced General César Mendoza, 66, a close associate of General Pinochet since the coup in 1973 that brought the military to power. General Mendoza resigned Friday.

Diplomats said the reshuffle posed no immediate threat to General Pinochet, but that General Mendoza's departure represented a significant setback for the government.

Only once before in almost 12 years of military rule has there been a change at the top of one of the armed forces, when the air force commander, Gustavo Leigh, was removed in 1978.

The opposition members killed were Manuel Guerrero, a teachers' union leader; José Manuel Parada, a human rights worker; and Santiago Nattino, an artist. The case appeared to have been settled Thursday, when the government said the 14 policemen had been dismissed, and General Stange and the third-ranked police general had offered to resign.

General Mendoza's decision to resign apparently earned them a reprieve.

General Stange later said the courts were investigating the murders but refused to repeat General Mendoza's denials of police involvement.

It was not clear why the three



The widows of three Chilean Communists murdered in March, holding posters showing their husbands, confronted a police officer during a demonstration Friday in Santiago.

murders should have led to the removal of such a high-ranking official, the security forces have been implicated in many other killings.

Another incident that had repercussions in the top echelons of the government was the murder in 1976 in Washington of Orlando Letelier, an exiled opponent of the government. The head of the intelligence service at the time was subsequently dismissed.

Diplomats said there were strong indications of a dispute between the police and the National Information Centre, the secret service, which is run by an army general appointed directly by General Pinochet.

There were clashes Friday in the center of Santiago between not police and demonstrators.

The speed with which General Stange was appointed and the tone of General Pinochet's comments during his swearing-in, which were broadcast on television, indicated that the Chilean leader was determined to give the impression of business as usual.

"Those who may try to take advantage of the moment in pursuit of their petty interests should understand clearly that we will not lack the determination or the energy to adopt the most drastic measures required to maintain order," he said.



General César Mendoza

## Dole, Gray Doubt U.S. Deficit Cut Will Be Achieved

By Helen Dewar  
Washington Post Service

WASHINGTON — Principal figures in both houses of Congress have expressed doubt that the compromise budget plan they approved last week will reduce the federal deficit by the intended amount, \$280 billion over three years.

The Senate majority leader, Robert J. Dole, and the chairman of the House Budget Committee, William H. Gray 3d, said last week that the savings for fiscal year 1986 would be closer to \$40 billion, not \$55 billion as had been announced.

Mr. Gray, Democrat of Pennsylvania, expressing a widespread feeling in Congress, acknowledged that economic projections and the measurement of cutbacks in military spending were probably misleading, contributing to an overly optimistic estimate.

Mr. Dole, Republican of Kansas, expressed doubts about whether Congress would enforce the pledged cutbacks.

"I think we have to be very careful when we look at numbers," he said in a television interview, "be-

cause I doubt Congress will do all the things we've been asked to do, and the deficit will really be much larger than anticipated."

He said later that the failure could come in a wide variety of appropriations accounts, especially areas where program cuts are not mandated. Other sources said there was likely to be resistance to proposed cuts in farm supports, Medicare and other smaller programs, including such popular ones as Amtrak rail-passenger subsidies and local economic development.

If Mr. Dole and Mr. Gray are correct, next year's deficit could be \$180 billion or more, compared with \$210 billion anticipated for the current fiscal year, which ends Sept. 30. By fiscal 1987, it could be more than \$220 billion.

The Senate Budget Committee chairman, Pete V. Domenici, Republican of New Mexico, observed last week that savings claimed for fiscal 1987 and 1988 were likely to be \$25 billion to \$40 billion less than anticipated, largely because of optimistic economic assumptions.

This could mean a deficit of \$150 billion by fiscal 1988, the year the

White House and congressional leaders had hoped to cut it to below \$100 billion. A separate analysis by Senate Democrats, based on earlier Congressional Budget Office economic assumptions, put the fiscal 1988 deficit at \$161 billion.

These assessments by three of the principals in the seven months of congressional budget negotiations underscore that the figures used in the calculations are questionable, that the economic assumptions are fragile and that there is doubt that Congress will enforce the spending cuts voted Thursday night.

Part of the savings come from money that probably would not be spent anyway or from using questionable benchmarks for measuring the savings.

Military spending is a primary example. The Pentagon does not spend all the money available in a given fiscal year. But these are still considered "savings" and added to real cutbacks that result from restraining the growth of spending authority.

Even the real savings will depend on whether program cuts are mea-

sured against congressional projections or against President Ronald Reagan's own spending plans. Nearly \$13 billion of next year's estimated deficit reduction is the result of using Mr. Reagan's benchmark.

Officially, Mr. Reagan and both houses of Congress used projections from the Office of Management and Budget in their announced figures. However, by citing economic projections of the Congressional Budget Office, which are less optimistic, Senate Democrats unofficially predicted a reduction in deficits over three years of \$76 billion less.

As for meeting the spending-cut targets, plans to overhaul farm programs fall short of the budget's target numbers, as does Medicare reform.

First-year savings can be enforced, but savings after that are more difficult to achieve unless the programs themselves are cut. Only about one-quarter of the projected three-year savings stem from permanent changes in law.

Budget negotiators, for instance, did not mandate program cuts for Amtrak, mass transit and a number of other politically popular programs, raising questions as to whether about \$10 billion in future savings will be realized, according to a Senate budget source.

In a statement Friday upon passage of the budget and in his weekly radio address on Saturday, Mr. Reagan threatened to use a veto to enforce restraint. But there is doubt within the administration as well as in Congress as to how well this will work, especially without David A. Stockman as director of the Office of Management and Budget.

Mr. Reagan seldom used a veto to block appropriations bills but, through Mr. Stockman, was successful in using veto threats to trim spending authority in bills before they were passed.

Although the administration at various times asked Congress to kill more than 20 federal programs or major agencies, the House-Senate budget agreement assumes abolition of only four, House and Senate Budget Committee staff aides said Friday.

The four are federal payments to the Conrail freight rail line, which the government is selling; general revenue sharing, to be eliminated after 1986; the U.S. Travel and Tourism Bureau; and a small loan-guarantee program under the Community Development and Block Grant program.

## Iran's Smuggled Arms: A Sophisticated Penetration of the U.S. Military Supply System

(Continued from Page 1)

undercover agent posing as a smuggler.

The U.S. government's initial response to Iran's smuggling operation in the early 1980s also appears to have been lackadaisical. More recently, however, the Customs Service and the Federal Bureau of Investigation have counterattacked vigorously. They have conducted investigations in more than a dozen locations, from Los Angeles to Boston and from San Francisco to Orlando, Florida, deploying undercover agents and using wiretaps, mail and telex intercepts and 24-hour surveillance.

Justice Department statistics show that in the last 12 months, 14 indictments have accused 54 individuals and eight companies of violating the Iranian arms embargo. That is more than double the total number of indictments for the three previous years combined.

The investigations have resulted in more than 100 indictments. Some have turned up information suggesting the possibility of high-level corruption.

In San Diego, for instance, an undercover customs agent, who taped 75 meetings and telephone conversations after infiltrating a smuggling ring last year, heard the Iranian agent boast that the smug-

glers had contacts with "the congressman," who he indicated was involved in arms deals.

"The congressman" was not identified in the transcript of the tape recording.

The Customs Service has not "come up with any substantiated evidence at this point" that any congressman is involved, an official with the Customs Service said.

The Iranian agent, Yasser Abdulrahman Shoshbary, an Iranian immigrant with British citizenship, also told an undercover customs agent, who was posing as a supplier of high-technology equipment, that a customs agent had been paid \$25,000 to get illegal shipments out of the country.

Questioned after his arrest, the Iranian agent said he was only repeating what he had been told by higher-level members of the ring, investigators say.

The transcripts also disclose that Brian Lewy, a West German freight forwarder who is a fugitive after being indicted for arms smuggling, used the State Department's diplomatic courier office in Washington last October to make and receive long-distance telephone calls involving illegal shipments. The transcript also showed that a mid-level State Department official personally placed one of the calls for him.

The official, James R. Vandiver, 59, was questioned by federal agents in November about his contacts with Mr. Lewy.

Mr. Lewy, with four other individuals and three companies, have been charged with attempting to export arms to Iran illegally.

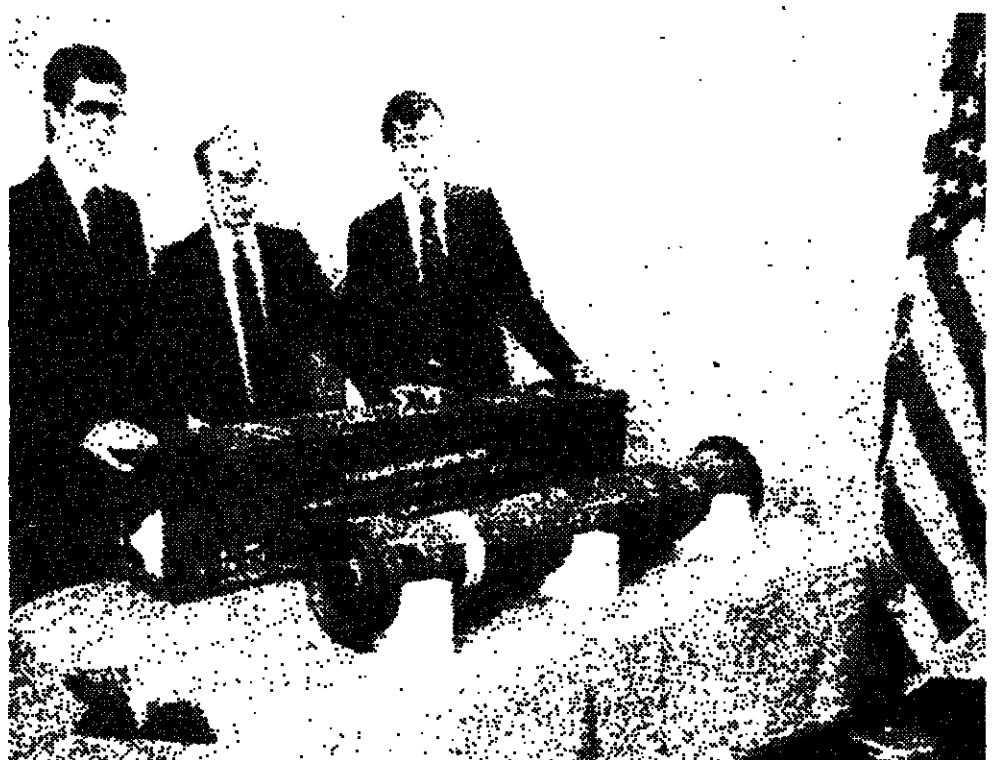
Iran's global effort to keep its military machine operating is run from a well-guarded, seven-story, modern building at 4 Victoria St., London.

Called NIOC House because the National Iranian Oil Co. is headquartered there, the structure also is home to the Islamic Republic of Iran Air Force, its Logistics Support Center, and the Iranian Navy and its Technical Supply Office.

From there, neatly typed — but sometimes badly misspelled — orders for munitions, parts and giant war machines are issued.

"Further to our verbal negotiations on 9-19-84, would you please deliver two brand new and genuine (sic) of VAI45E tubes to our assigned freight forwarder at your earliest convenience," reads one order. "It is understood that the sum of \$294,000 U.S. dollars (sic) will be paid to you within . . ."

The order carries an official stamp. It was sent in September.



Three U.S. officials describe a plot to smuggle arms to Iran. They said the \$75-million conspiracy included guided missiles, such as the one shown. The officials, from left, are Perry Doran and Richard Ross of the FBI and Paul O'Brien of the Customs Service.

One method of getting arms destined for Iran out of the United States involves using authentic export documents, Iranian agents buy these documents, a U.S. agent said, "from military officials in Third World countries and in some countries that are American military allies." These documents, usually signed by a military general, trade on the munitions black market for a minimum of \$100,000.

"These documents allow the arms to flow out of the United States unquestioned," a customs agent said.

A federal investigator said he had seen three distinct phases in Iran's strategy to penetrate American weapons and supply markets.

"At first they flooded the countryside with so many agents that even if 80 percent got caught, they

could count on the other 20 percent coming up with a lot of goods," said the investigator. "But they were awfully naive and ineffective, so Tehran went to Phase 2, using brokers to represent them in covert deals."

That proved to be an expensive strategy. As the layers of middlemen multiplied, so did the price markups.

The two pieces of "brand new

and genuine" equipment mentioned in the NIOC House order, to be purchased for \$294,000, are radar-sensing devices that are critical electronic components of mobile radar stations. These devices can be purchased by authorized buyers for as little as \$30,000 each.

A Western company reportedly was getting almost a 2,000 percent profit, according to a government agent, by buying scrap aircraft parts for \$2,000, "knocking out a few dents and repainting them, then getting \$40,000 each" from Iran.

There is speculation that such costly experiences, coupled with an increasingly effective Customs Service enforcement effort, forced Iran into its third, most sophisticated, phase. It includes knowledgeable buyers, detailed lists of specific requests, thorough inspections and authentic-looking documents.

Despite the rising numbers of investigative successes, many federal prosecutors and customs agents are dissatisfied with what they consider light sentences frequently imposed by the courts on persons convicted of smuggling arms and weapons parts to Iran.

The sentence that caused some of the widest discontent among enforcement officials was the one imposed on Moses Broder of Portugal, a wealthy real estate developer who was paid \$85,000 in commissions to arrange the sale of American-made radar components to Iran.

While Mr. Broder was awaiting trial in Los Angeles federal court, a U.S. magistrate permitted him to remain confined for almost five months to a \$20,000-a-month apartment condominium he had rented. He was guarded by a private security firm.

Upon conviction of conspiring

### Gorbachev Misses Close of Moscow Youth Festival

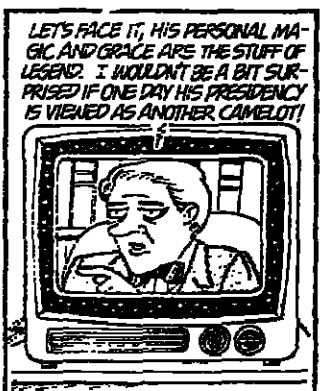
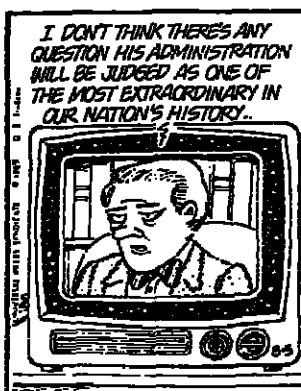
The Associated Press  
MOSCOW — A crowd of 100,000 filled Lenin Stadium here for ceremonies closing the 12th World Youth Festival.

Seven members of the Communist Party Politburo presided over the two-hour spectacle Saturday but the Soviet leader, Mikhail S. Gorbachev, who opened the festival involving 157 countries on July 27, was not present.

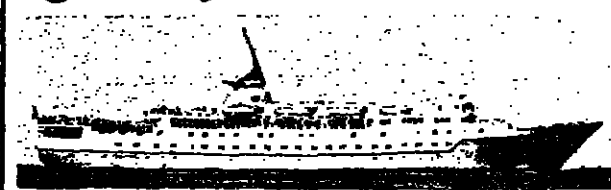
Members of some Western delegations said Soviet organizers wanted a formal closing communiqué, but many of the Westerners resisted this and also insisted that the content of the final message be politically neutral.

The document that was finally released noted that the festival was held while European nations, the United States and Canada marked the 10th anniversary of the Helsinki accords on security and human rights.

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مكتبة الأصيل



# INTERNATIONAL Herald Tribune

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## The Rap on the Budget

Why all the moaning and groaning that Congress didn't cut the deficit enough? If I remember correctly, it set out to cut \$50 billion and the new budget resolution ends up cutting \$55 billion. What's so bad about that?

What is bad is that those numbers don't tell the whole story. The Congressional Budget Office says the \$55 billion will actually work out to only \$39 billion. So we will still be looking at a deficit next year that's more than \$180 billion. Some cut.

And remember, we're still talking about estimates. Budget projections are notoriously unreliable. Tax collections fall short. Spending runs over. In any case, the deficit in the final year of the Reagan administration would still be way over \$100 billion — and that was the original target of this exercise.

All right, but I'm still impressed. The president pushed Congress and it worked. You just wish it had worked your way.

Worked? The president wanted to eliminate a whole bundle of programs. How many did Congress kill? One — revenue sharing — and it was due to expire in a couple of years anyway. People can disagree on which programs are good or bad. But when Congress cannot bring itself to kill any at all, that says something important about the functioning of government. Paralysis.

And so far, we have only been talking about spending cuts. We haven't said a word about holding down Social Security increases, or about new taxes.

Why are you so determined to be gloomy? They cut \$55 billion this year. They can cut some more next year.

You've got it backward. If they can't make

the tough choices this year, when there is no election, do you really think they will do it next year, when there is one? This was the critical moment. Congress and the administration finally acknowledged that deficits had gotten out of hand. They sounded serious.

Then look at what happened. Congress started making real cuts in defense and non-defense programs. There was a moment when it looked as if the president might bend on taxes and Social Security. He actually agreed to a temporary freeze in Social Security, but backed off in a hurry. And for a while, he said he would consider tax increases as a "last resort." But at last resort, he said no.

You may say he has the courage of his convictions. I say his convictions guarantee a deficit crisis long after he is gone.

What crisis? Things are pretty good. Inflation and interest rates are down. Jobs are up. The stock market has never been higher.

All true, but that's just the point. If you can't save during good times, how on earth can you expect to do so when the economy turns down again? Besides, big deficits carry with them the expectation of more inflation, sooner or later, and that's why interest rates are still quite high. The government's enormous borrowing to cover the deficit just adds to that pressure. And jobs may be up but unemployment is stuck at more than 7 percent.

I'm not gloomy. I'm worried about our leaders' failure to cope with problems when the time is ripe. Deficits are all right, even desirable, in recessions. But when the next recession comes, the deficit will already be excessive — because it was cut so little on Aug. 1, 1985.

—THE NEW YORK TIMES.

## Nairobi's Boost to Women

By the standards of these events, the United Nations Decade for Women Conference at Nairobi was a notable success. It seems to have generated a feeling among many delegates that there is something worthy of being called an international women's movement. A final document was produced and, for the first time in three such occasions, the United States found it politically inoffensive enough to sign. Margaret Reagan, the president's daughter and head of the U.S. delegation, came home pronouncing the conference "a first-class win for us and for women and for the UN system as a whole." She did much to make it so.

Delegates from some Arab countries and from the Soviet Union and its satellites came to Nairobi chiefly, it seems, to vilify Israel. They did their best, but many other delegates obviously resented any political intrusion that was going to take away from attention to issues of direct concern to women. In this pattern, delegates reacted strongly with the United States — to show "we can play the same games they can play." Margaret Reagan explained — launched its own political intervention to condemn a "small group of outlaw states" for supporting terrorism.

It is true that many political issues bear on women's concerns, but it was more true, to the delegates in Nairobi, that an excessive empha-

sis on divisive political issues would undermine the quest for a feminist consensus. The United States, with Israel, did have to threaten a walkout to get the conference to delete an ugly, UN-type condemnation of Zionism, but it appeared that this was what many women wanted Washington to do.

The final report on "Forward-Looking Strategies" is premised on the idea that women are a political class and one dominated by men. The report is a long wish-list of feminist goals — a longer and more optimistic list than any single delegation might have written had it not been in the hothouse atmosphere of a UN conference with no responsibility for turning its recommendations into reality.

As they surely had to, the Americans took part in the work on this consensus document. Margaret Reagan was then attacked, unfairly, by some American feminists for countenancing certain demands that go beyond both U.S. law and the Reagan administration's policy. Her response, which was a bit too flip, was to dismiss the document as "a piece of paper."

But the report offers encouragement and stimulus to many women, especially in traditional societies. It is lonely out on the frontier where many women are pursuing change. Nairobi gave them comfort, and company.

—THE WASHINGTON POST.

## Big Sister and the BBC

We confess we have not seen "At the Edge of the Union," a 45-minute documentary about Northern Ireland produced by the British Broadcasting Corp. But neither have Prime Minister Margaret Thatcher or her home secretary, Leon Brittan. Relying on press accounts, they made an astonishing request that the program be suppressed — and the BBC's board of governors has complied with alarming alacrity. It is a bad show all around.

What provoked Mrs. Thatcher was the announcement that the program included the interview with Martin McGuinness, the Irish Republican Army's chief of staff. Mr. Brittan, who is responsible for law and order, feared the interview would lend "spurious legitimacy" to violence. If it is now supposed to pursue that principle regularly, the BBC is going to have a tough time pursuing the news.

Obviously, political violence poses dilemmas for a free society and its press. Driven by competitive zeal, careless broadcasters can in-

deed supply terrorists with "the oxygen of publicity," in Mrs. Thatcher's phrase. But when anxious governments impulsively reach for the tap of that oxygen, they betray the very values they aim to defend.

The casualty in this case is the BBC's admirable tradition of independence, a vital source of its credibility. Its broadcasts are publicly financed and the government has the legal right to compel it to suppress information. But that power was not even invoked. Instead, the government simply requested suppression of a program that had taken months to prepare under an established code for dealing with political violence. By yielding, it was the BBC that gravely undermined itself.

Yet in an Orwellian touch, Mrs. Thatcher dares to boast that "I am never going to put censorship on — we are not that kind of party." Over at BBC, however, they have obviously decided that Big Sister has arrived.

—THE NEW YORK TIMES.

## Other Opinion

### Britain's 'Honorable Isolation'

It is beginning to look as if Britain could be the only major country to refuse to apply sanctions against South Africa. In our view, this will be an honorable isolation, since sanctions against South Africa will do no good. Sanctions, insofar as they are effective, will increase black unemployment and

exacerbate tensions in the black townships. If that is to provoke black revolution, then sanctions might conceivably serve that end. But since black revolution would cause more misery even than apartheid — as well as far more bloodshed — Britain should have no part in a policy that might produce such a disastrous result.

—The Sunday Telegraph (London).

## FROM OUR AUG. 5 PAGES, 75 AND 50 YEARS AGO

**1910: Why Dollars Flow to Europe**  
LONDON — The London "Globe" says: "We do not know where the American writer who has recently been discussing on the flow of dollars to Europe obtains his statistics, but his account is so detailed that we may assume it is not imaginary. The stream of dollars reaches the respectable volume of about a hundred and fifty millions sterling. A large part of this goes abroad for two reasons. One is that America, though blessed with some of the most magnificent scenery in the world, is so uncomfortable a country that the American with a holiday in front of him and money to spend goes somewhere else. The other is that American 'finance' has so shaken the confidence of the American in his own securities that he leaves them to the foreigner for investment."

**1935: Pacifists March in Harlem**  
NEW YORK — A cross-section of New York's pacifist citizenry — Socialists, Communists and college students, Negro and white — banded together in Harlem on Aug. 4 for a "march against war" and in particular a demonstration against Italy's threatened invasion of Abyssinia. There were 25,000 in the parade columns, which for three hours trudged through the sweltering streets of the black neighborhood, waving banners, singing, shouting and denouncing the forces of militarism. There were ex-service men in the khaki uniforms they wore to the war to end wars, Communist groups in gray shirts and hats, and young liberals purporting to represent the uniforms of Emperor Haile Selassie's forces.

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"Someday, my boy, all this will be yours."

## The Bomb: Was Truman Justified?

Yes, It Was a Necessary Evil

No, He Had Other Options

By John Connor

SACRAMENTO, California — Forty years ago this Tuesday in Hiroshima: the dreadful flash, the wrist watches fused forever at 8:16 A.M. The question still persists: Should the United States have dropped the atomic bomb?

History seldom gives decisive answers, but documents recently declassified point to a clear judgment: Yes, it was necessary to drop the bomb. It was needed to end the war. It saved countless lives on both sides. In the early summer of 1945, Japan, under tight control of the militarists, was an implacable, relentless adversary. The Japanese defended territory with a philosophy Ameri-

can leaders had never encountered. Soldiers were taught that surrender was worse than death. There was savage resistance in battle after battle. Of the 500,000-man Japanese force at Tarawa in November 1943, only 17 remained alive when the island was taken. When Kwajalein was invaded in February 1944, Japanese officers slashed at American tanks with samurai swords; their men held grenades against the sides of tanks in an effort to disable them.

Without the bomb there might have been an invasion, with awesome loss of life.

On Saipan, fewer than 1,000 of the 32,000 defending Japanese troops survived. Casualties among the Japanese-ruled civilians on the island numbered 100,000. Parents bashed their babies' brains out on rocky cliffs, then leaped to their deaths. Others cut each other's throats; children threw grenades at each other. America suffered 17,000 casualties. Just 660 miles (1,065 kilometers) southeast of Tokyo, two Jim's garrison was told to defend the island as if it were Tokyo itself. In the first day of fighting, there were more American casualties than during D-Day in Normandy. At Okinawa — only 350 miles south of Kyushu — more than 110,000 Japanese soldiers and 100,000 civilians were killed. Kamikaze attacks cost the navy alone some 10,000 casualties. The army and marines lost more than 50,000 men.

In the early summer of 1945, the invasion of Japan was imminent and everyone in the Pacific was apprehensive. The apprehension was justified, because U.S. intelligence was good: With a system code-named "Magic," it had penetrated Japanese codes even before Pearl Harbor. "Magic" would play a crucial role in the closing days of the war.

Many have maintained that the bomb was unnecessary because in the closing days of the war intercepted Japanese diplomatic messages disclosed a passionate desire for peace. While that is true, it is irrelevant. The Japanese government remained in the hands of the militarists. Their messages indicated a willingness to fight to the death.

Japanese planes, gasoline and ammunition had been hoarded for the coming invasion. More than 5,000 aircraft had been hidden everywhere to be used as suicide weapons, with only enough gas in their tanks for a one-way trip to the invasion beaches. More than two million men were moving into positions to defend the home islands.

The object was to inflict such appalling losses that the Americans would agree to a treaty more favorable than unconditional surrender. The army chief of staff, General George C. Marshall, estimated that American casualties could run as high as one million.

The willingness of the Japanese to die was more than empty bravado. Several of my colleagues at Kyushu University told me: as boys of 14 or 15, they were being trained to meet the Americans on the beaches with little more than sharpened bamboo spears. They had no illusions about their chances for survival.

The Potsdam declaration calling for unconditional surrender was beamed to Japan on July 27. On July 30, the Americans were informed that Japan would ignore the ultimatum. A week later, the bomb was dropped.

Could America not have warned the Japanese in advance, critics asked, and dropped a demonstration bomb? That alternative was vetoed

on the grounds the bomb might not work, or that the plane carrying it might be shot down. Moreover, it is questionable how effective a demonstration bomb might have been. The militarists could have imposed a news blackout as complete as the one imposed after the disastrous battle of Midway and continued on their suicidal course. That is exactly what happened at Hiroshima. Within hours, the Japanese government sent in a team of scientists to investigate the damage. Their report was immediately suppressed and was not made public until many years after the war.

After midnight on Aug. 10, a protracted debate took place in an air-raid shelter deep inside the Imperial Palace. The military insisted that Japan should hold out for terms far better than unconditional surrender. The peace faction favored accepting the Potsdam declaration, providing that the emperor would be retained. The two factions remained at an impasse. At 2 A.M., Prime Minister Kantaro Suzuki asked the emperor to decide. In a soft, deliberate voice, the emperor expressed his great longing for peace. The war had ended.

It was impossible, in August 1945, to predict the awesome shadow the bomb would cast on humanity. The decision to drop it seemed both simple and obvious. Without it, the invasion might have prevailed, an invasion might have been ordered. And the loss of both American and Japanese lives would have been awesome.

The atomic bomb accomplished what it had been designed to do. It ended the war.

The writer, a professor of anthropology at California State University, was attached to General Douglas MacArthur's headquarters in Tokyo in 1949 and 1950. He contributed this column to The New York Times.

By Gar Alperovitz

WASHINGTON — Though it has not received broad public attention, there exists overwhelming historical evidence that President Harry S. Truman knew he could almost certainly end World War II without using the atomic bomb: The United States had cracked the Japanese code, and documents released over the last 40 years show that Mr. Truman had two other options.

The first option was to clarify America's surrender terms to assure the Japanese it would not remove their emperor. The second was simply to await the expected Soviet declaration of war — which U.S. intelligence advised, appeared likely to end the conflict on its own.

Instead, Hiroshima was bombed Aug. 6, 1945, and Nagasaki three days later. The planned date for the Soviet Union's entry into the war against Japan was Aug. 8.

The big turning point was the emperor's continuing time-july decision to open surrender negotiations through Moscow. Top American officials — and, most critically, the president — understood the move was extraordinary: Mr. Truman's secret diaries, lost until 1978, call the key intercepted message "the telegram from Japan Emperor asking for peace."

Other documents — among them newly discovered secret memorandums from William J. Donovan, director of the Office of Strategic Services — show that Mr. Truman was personally advised of Japanese peace initiatives through Swiss and Portuguese channels as early as three months before Hiroshima. Moreover, Mr. Truman told several officials he had no objection in principle to Japan's keeping the emperor, which seemed the only sticking point.

American leaders were sure that if he chose "the Mikado could stop the war with a royal word" — as one

top presidential aide put it. Having decided to use the bomb, however, Mr. Truman was urged by Secretary of State James F. Byrnes not to give assurances to the emperor before the weapon had been demonstrated.

Additional official records, including minutes of top-level White House planning meetings, show the president was clearly advised of the importance of a Soviet declaration of war. It would pull the rug out from under Japanese military leaders who were desperately hoping the powerful Red Army would stay neutral.

General George C. Marshall told Mr. Truman in mid-June that the impact of Russian entry on the al-

American leaders wanted to end the war before Moscow got in 'on the kill.'

ready hopeless Japanese may well be the decisive action leveraging them into capitulation at that time or shortly thereafter if we land."

A month later, the American-British Combined Intelligence Staffs advised their chiefs of the critical importance of a Red Army attack. As the top British general, Sir Hastings Ismay, summarized the conclusions for Prime Minister Winston Churchill: "If and when Russia came into the war against Japan, the Japanese would probably wish to get out on almost any terms short of the de-thronement of the emperor."

Mr. Truman's private diaries also record his understanding of the significance of this option. On July 17, 1945, when Stalin confirmed that the Red Army would march, Mr. Truman privately noted: "Fini Japs when that comes about."

There was plenty of time: The American invasion of Japan was not scheduled until the spring of 1946. Even a preliminary landing on the island of Kyushu was still three months in the future.

General Dwight D. Eisenhower, appalled that the bomb would be used in these circumstances, urged Mr. Truman and Secretary of War Henry L. Stimson not to drop it. In his memoirs, he observed that weeks before Hiroshima, Japan had been seeking a way to surrender. "It wasn't necessary," he said later, "to hit them with that awful thing."

The man who presided over the Joint Chiefs of Staff, Admiral William D. Leahy, was equally shocked: "The use of this barbarous weapon at Hiroshima and Nagasaki was of no material assistance in our war against Japan. The Japanese were already defeated and ready to surrender."

Why, then, was the bomb used?

American leaders rejected the most obvious option — simply waiting for the Red Army attack — out of political, not military, concern.

As the diary of one official put it, they wanted to end the war before Moscow got "in so much on the kill."

Secretary of the Navy James V. Forrestal's diaries record that Mr. Byrnes "was most anxious to get the Japanese affair over with before the Russians got in."

American leaders had also begun to think of the atomic bomb as what Secretary Stimson termed the "master card" of diplomacy. Mr. Truman postponed his Potsdam meeting with Stalin until July 17, 1945 — one day after the first successful nuclear test — to be sure the atomic bomb would strengthen his hand before confronting the Soviet leader on the shape of a postwar settlement.

To this day, we do not know with absolute certainty Mr. Truman's personal attitudes on several key issues. Yet we do know that his most important adviser, Secretary of State Byrnes, was convinced that dropping the bomb would serve crucial long-range diplomatic purposes.

As one atomic scientist, Leo Szilard, observed: "Mr. Byrnes did not argue that it was necessary to use the bomb against the cities of Japan in order to win the war. Mr. Byrnes' view [was] that our possessing and demonstrating the bomb would make Russia more manageable."

The writer, a historian and political economist, is author of a revised edition of "Atomic Diplomacy: Hiroshima and Potsdam." He contributed this column to The New York Times.

## Colonialist Obstinacy in Hong Kong

By Frank Ching

HONG KONG — The British authorities here, who will have to turn Hong Kong over to China in 1997, are alienating the public in their efforts to show that they are not a lame-duck administration. Dire consequences could result.

Long accustomed to running Hong Kong as their own fiefdom, with little interference from London, local officials have been at pains to show that they are still in charge, and will remain so, until July 1997.

Their handling of several issues has betrayed a colonialist mind-set that is ill-prepared to deal with an increasingly vocal and politically conscious population. The administration has shown little awareness of the sensitivities of the 5.5 million people here, most of them refugees from China or children of refugees.

Although the Chinese-British agreement provides that Hong Kong will become a capitalist enclave in socialist China, many here fear their personal rights and freedoms will be curtailed after China takes charge.

As if to confirm their anxieties, only weeks after signing the accord, in December, the administration introduced a bill in its hand-picked Legislative Council to do away with jury trials in cases of complex commercial crimes. The move seemed fraught with sinister implications.

A public outcry arose, led by the Hong Kong Bar Association. Its chairman decried the measure as "the end of the wedge" that might one day lead to dismantling of the jury system, a pillar of any free society. Rumors of a secret understanding under which Britain would make Hong Kong more compatible with the system in China began to spread.

These rumors gained strength as the administration, while agreeing to shelve the commercial crimes bill, came up with other controversial proposals, including establishment of a tribunal to decide if articles or publications were pornographic or "objectionable." The panel's decisions would be binding on courts, and judges would have no choice but to find guilty any person dealing in such publications. Again, because of protests from the legal profession, the administration backed down.

Then, the administration introduced legislation, ostensibly to define the powers of the Legislative Council, that would have deprived the public of the right to attend its sessions and would have made it a crime for any newspaper to report on the council's closed proceedings, even if such reports were accurate. The bill would have made it a crime for anyone to commit "any act of intentional disrespect to or with reference to the proceedings" of the council. Such "disrespect" would earn a year in prison.

In response to public protest, the administration and its legislature — which consists entirely of senior civil servants and appointed members of the public — agreed to drastically amend the bill in effect to emasculate it, but still enacted it despite the widespread calls for a deferral.

The British, who have paternalistically run Hong Kong for 133 years, were caught by surprise by the strong public reactions. Accustomed to a politically apathetic populace, they have not yet come to grips with the new political consciousness.

The administration's actions have created an atmosphere of suspicion and hostility. Unless the British take immediate steps to regain the confidence of the public, there is a real danger that the administration will become increasingly isolated and its credibility eroded. It is likely that if it continues to stonewall in the face of public criticism, some Hong Kong political groups will feel so alienated they will appeal directly to Beijing for support. If that happens, the British may find their position untenable.

Conspiracy theories are so rampant that the chief secretary (who is second to the governor in power), Sir David Aker-Jones, has had to state repeatedly in public that there is "no hidden agenda."

Whether such bland assurances will be effective remains to be seen, but, as the author of a letter to a newspaper said: "Let the government be under no illusion. They now have on their hands a thoroughly frightened populace."

The writer, former Beijing correspondent of The Wall Street Journal, is author of "Hong Kong and China: Far Better or for Worse." He contributed this column to The New York Times.

## LETTERS

### The European Satellites

I read with interest Axel Krause's report "Europe Slow to Hook Up Satellites" (July 11). While the development of satellite TV reception in Europe is far behind that of the United States, it is not quite in the early stages described. British manufacturers have sold about 1,500 satellite systems in the last 12 months. There are receiving systems in hotels in Paris, Geneva, Amsterdam, Milan and London. Britain liberalized its regulations for satellite TV reception in May. As Mr. Krause notes, remaining regulatory problems in Western Europe are restraining growth more than are cost or availability.

PETER C. FUNK  
London.

### Noncitizen, Nontraitor

The South African government contradicts itself when it arrests blacks for treason. Treason is what citizens of a country commit when they betray their country. Since the white minority regime does not offer its black natives the rights of citizenship, South Africa's blacks do not have the privilege to commit treason.

HELENA KAIN  
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PETER C. FUNK  
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## Hint of Early Election In Philippines Hailed By Marcos Opponents

By Steve Lohr  
New York Times Service

MANILA — Opposition leaders in the Philippines, responding to an announcement that President Ferdinand E. Marcos is seriously considering calling a presidential election this year, say they are eager and optimistic over the prospect of an electoral battle.

"The opposition is ready for elections, and so are our people, who have already rejected his repugnant regime," Salvador H. Laurel said Friday. Mr. Laurel is president of the United Nationalist Democratic Organization, the largest opposition party.

The government announcement that a presidential election may be called within months was made after a meeting Thursday night between Mr. Marcos and the leaders of his ruling party, the New Society Movement.

After the caucus, the presidential palace issued a statement saying that Mr. Marcos and his followers "seriously discussed" a proposal to hold elections for president and vice president this year. The next scheduled presidential election is in 1987, when Mr. Marcos's current six-year term expires. Mr. Marcos has been in office 19 years.

The president, according to the government statement, is also considering dissolving the National Assembly, which was elected in

May 1984. In that election, the opposition made unexpectedly strong gains, winning about one-third of the 181 contested seats.

For more than a year, the opposition has been calling on Mr. Marcos to step down, but until now he has repeatedly rejected the idea of calling early elections.

Yet, with growing criticism of his presidency, including an impeachment resolution scheduled to be filed in the National Assembly this week, Mr. Marcos has become tempted by the prospect of confronting his adversaries at the polls, according to a member of the ruling party.

The president said last night that there may be a need for him to seek a new mandate from the people. "And he is confident he will win resoundingly,"

No final decision was reached on the election proposal. But according to the palace statement, the ruling party's leaders expressed a "strong sentiment" in favor of elections this year.

The discussion of dissolving the assembly has been interpreted as a threat to prevent the opposition from filing its impeachment resolution.

The palace statement said the ruling party's decision on dissolving the assembly would await "what action the opposition will take on their reported plan to file a



Salvador H. Laurel

resolution seeking the impeachment of the president."

The resolution, signed by 53 members of the opposition, charges Mr. Marcos with using government funds to enrich his family and his friends.

But if the ruling party's statement was intended to pressure the opposition to not go ahead with the impeachment move, it seems to have failed.

"Marcos has now insured the filing of the impeachment resolution," said Homobono Adaza, an opposition assemblyman. "If we didn't file it now, people would assume we were bought off or intimidated."

Opposition politicians said that, in a fair election, Mr. Marcos would get no more than one-third of the votes.

## Peace Plan May Hinge on Arab Summit

By Christopher Dickey  
Washington Post Service

AMMAN, Jordan — The Arab League summit meeting scheduled to begin Wednesday in Casablanca, Morocco, could make or break the Middle East peace initiative put forward by King Hussein of Jordan and Yasser Arafat of the Palestine Liberation Organization, according to Jordanian and Palestinian officials.

The plan, based on the accord Jordan signed Feb. 11 with Mr. Arafat, calls for a joint Jordanian-Palestinian team to negotiate peace talks with Israel that would result in the Israeli-occupied West Bank and Gaza Strip becoming a Palestinian state confederated with Jordan.

Although Jordan was the first country to accept the renewed call by King Hassan II of Morocco for a summit meeting, the first such meeting in three years, Jordanian officials have said privately that

they are uncertain about what they will get out of it.

PLO officials have openly described the meeting as a challenge to Syria, which opposes the Hussein-Arafat plan. The officials say they expect violent moves by Syria in the next few days in an attempt to thwart the meeting.

[Fourteen of the 21 members of the Arab League had confirmed by Sunday that they would attend the meeting. The Associated Press in Rabat quoted the official Moroccan news agency as announcing,

[Syria, Lebanon and South Yemen have formally rejected the invitation, the agency said. Algeria and Libya have criticized the meeting but have not yet announced whether they will take part. North Yemen and Somalia also have not announced their position but they were generally expected to participate.]

Despite the obstacles to success, the Jordanians hope for a broad endorsement of the joint peace initiative.

The original idea for a conference was promoted this spring by the PLO to protest the Syrian-backed war on Palestinian refugee camps in Lebanon. So whether Syria attends or not, it is likely to find itself isolated and criticized by many of the Arab nations.

Khalil al-Wazir, deputy commander of the PLO, said: "This conference will strengthen the majority's power to make decisions. This is what we are stressing with most of the Arabs who are fed up."

Even among nations friendly to the idea of the meeting, however, the joint Jordanian-PLO peace initiative faces strong opposition.

At a press conference in Morocco last month, Hassan suggested that the Palestinian question as a whole would be examined in light of the peace plan put forth at the last Arab summit meeting in Fez, Morocco, in 1982.

"If these initiatives are compatible with the Fez plan, the summit can only approve them," Hassan

said of the Jordanian-Palestinian plan. "In the contrary case, the summit will invite the Jordanians and Palestinians to modify their action or abandon their initiative."

The key to the initiative's survival thus far has been the ambiguity of central passages in the joint Jordanian-PLO accord signed Feb. 11, especially regarding the creation of an independent Palestinian state.

The United States and Israel oppose an independent Palestinian state of any kind.

The Fez plan called unequivocally for the establishment of an independent Palestinian state with Jerusalem as its capital.

The February accord referred more vaguely to a confederated Jordanian and Palestinian state and thus was able to sidestep some of Washington's objections.

After Hassan's announcement both Palestinian and Jordanian spokesmen were quick to say that they considered the Feb. 11 accord a bilateral agreement and would not submit it for debate or modification.

Mr. Wazir said Thursday, however, that the PLO was ready to defend the accord as it is.

A planned meeting between a joint Jordanian-Palestinian delegation and Richard W. Murphy, U.S. assistant secretary of state for Near Eastern and South Asian affairs, is portrayed here as a vital step in the process.

The meeting has been stalled for weeks as the PLO has made it clear that the organization wants to go to the negotiating table soon. Washington has made it clear that this is unacceptable.



Shalib Hmeidan

## ABC Employee Seized in Beirut

The Associated Press

BEIRUT — Gunmen have kidnapped the operations manager of ABC News in Beirut.

A spokeswoman for the U.S. television network said four men with rifles seized Shalib Hmeidan, 50, on Saturday, while he was on his way to Beirut airport in a chauffeur-driven car. She said he was going to board a flight to the United States.

She said the men ordered Mr. Hmeidan, who is Lebanese, into their car at gunpoint, took the keys and warned the driver not to follow. The spokeswoman said ABC had contacted Moslem militia leaders in West Beirut, trying to locate Mr. Hmeidan, a network employee for 17 years.

## ABS has been one of the most important innovations in car safety over the past decade. BMW drivers enjoy its benefits in a unique way.

### ABS anti-lock braking is already a standard feature on nearly 50% of all BMW models.

BMW wasn't just the co-developer of the ABS anti-lock braking system. BMW has also adopted and implemented this latest development towards maximum braking safety more comprehensively than any other manufacturer in the world. And that's why you'll discover that ABS is a standard on all 6 and 7-Series cars and on the top 5-Series models.

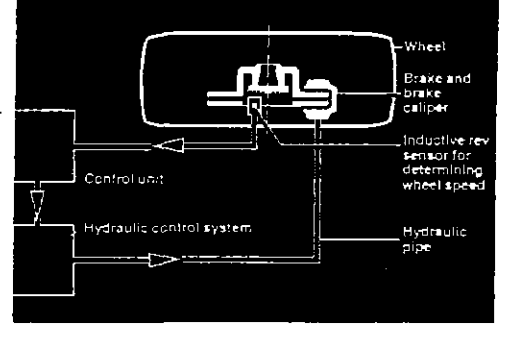
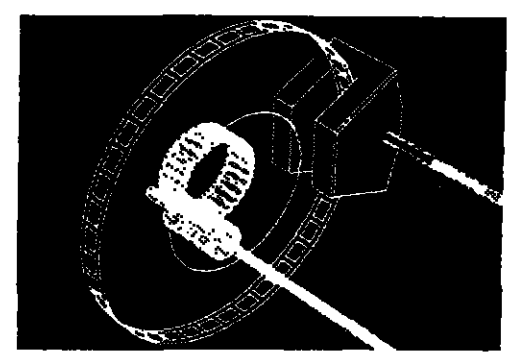
BMW's ABS system: the very highest standard of braking safety.

ABS works more precisely, more efficiently and more reliably than a human being ever could. And it completely eliminates any risk of wheel-lock, whatever the circumstances. As a result, ABS will prevent a car skidding even in an emergency braking situation or on difficult road surfaces. With ABS you can also apply full braking power while cornering. At the same time, steering ability is fully retained at all times, allowing you to take advantage of any gaps which present themselves between the obstacles ahead, even though you've got your foot flat down on the brake pedal.

And because of the unique way it makes maximum use of the braking forces and the adhesion characteristics of each individual wheel, ABS can also help to reduce braking distances dramatically. But ABS doesn't just represent an increase in driving safety. It simultaneously improves motoring economy. The reduced tyre wear can cut tyre costs by anything up to 30%, and tyre damage caused by locked-wheel braking at high speeds is also avoided.

Safety is part technology and part its consequence. BMW takes both further.

Under numerous circumstances, vehicles equipped with ABS can achieve significantly shorter braking distances. And this naturally means that one of the most important prerequisites for avoiding rear-end collisions with following cars, which could result from this improved braking performance, is that the car's brake lights are always in full working order. That's why ABS on a BMW features an extremely valuable back-up system: Active Check Control. It constantly monitors seven of the car's most important functions, including brake and rear lights, and it immediately calls the driver's attention to any malfunction.



ABS with BMW.

ABS is further proof of how BMW comprehensively exploits the astonishing potential of electronics in building better cars, and how it consistently makes it available as quickly as possible to its drivers.

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Model and equipment availability in the BMW international range may vary from country to country.

ABS consists of a revolution sensor fitted to each wheel and coupled to an electronic unit which then converts the revolution data provided by the sensors. At the very first hint of a wheel locking, the fluid pressure to that particular wheel is reduced so the wheel can continue to turn, avoiding wheel-lock and ensuring safe braking with full steering control.

BMW AG, Munich













Prices may vary according to market conditions and other factors.

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## AUSTRALIA

[illegible]

## Figures as of close of trading Friday.

[illegible]

## July 31 .

[illegible]

**On convertibles having a conversion premium of less than 10%.**

**THE CONVERTIBLE ISSUES WITH THE HIGHEST CURRENT YIELD WHICH ARE AT A CONVERSION PREMIUM OF LESS THAN 10%.**

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25	Traylor Phone Indus 7	754	1 Feb 81	1 New	21
26	Traylor Phone Indus 7	755	1 Feb 81	1 New	21
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29	Traylor Phone Indus 7	758	1 Feb 81	1 New	21
30	Traylor Phone Indus 7	759	1 Feb 81	1 New	21
31	Traylor Phone Indus 7	760	1 Feb 81	1 New	21
32	Traylor Phone Indus 7	761	1 Feb 81	1 New	21
33	Traylor Phone Indus 7	762	1 Feb 81	1 New	21
34	Traylor Phone Indus 7	763	1 Feb 81	1 New	21
35	Traylor Phone Indus 7	764	1 Feb 81	1 New	21
36	Traylor Phone Indus 7	765	1 Feb 81	1 New	21
37	Traylor Phone Indus 7	766	1 Feb 81	1 New	21
38	Traylor Phone Indus 7	767	1 Feb 81	1 New	21
39	Traylor Phone Indus 7	768	1 Feb 81	1 New	21
40	Traylor Phone Indus 7	769	1 Feb 81	1 New	21
41	Traylor Phone Indus 7	770	1 Feb 81	1 New	21
42	Traylor Phone Indus 7	771	1 Feb 81	1 New	21
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56	Traylor Phone Indus 7	785	1 Feb 81	1 New	21
57	Traylor Phone Indus 7	786	1 Feb 81	1 New	21
58	Traylor Phone Indus 7	787	1 Feb 81	1 New	21
59	Traylor Phone Indus 7	788	1 Feb 81	1 New	21
60	Traylor Phone Indus 7	789	1 Feb 81	1 New	21
61	Traylor Phone Indus 7	790	1 Feb 81	1 New	21
62	Traylor Phone Indus 7	791	1 Feb 81	1 New	21
63	Traylor Phone Indus 7	792	1 Feb 81	1 New	21
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65	Traylor Phone Indus 7	794	1 Feb 81	1 New	21
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67	Traylor Phone Indus 7	796	1 Feb 81	1 New	21
68	Traylor Phone Indus 7	797	1 Feb 81	1 New	21
69	Traylor Phone Indus 7	798	1 Feb 81	1 New	21
70	Traylor Phone Indus 7	799	1 Feb 81	1 New	21
71	Traylor Phone Indus 7	800	1 Feb 81	1 New	21
72	Traylor Phone Indus 7	801	1 Feb 81	1 New	21
73	Traylor Phone Indus 7	802	1 Feb 81	1 New	21
74	Traylor Phone Indus 7	803	1 Feb 81	1 New	21
75	Traylor Phone Indus 7	804	1 Feb 81	1 New	21
76	Traylor Phone Indus 7	805	1 Feb 81	1 New	21
77	Traylor Phone Indus 7	806	1 Feb 81	1 New	21
78	Traylor Phone Indus 7	807	1 Feb 81	1 New	21
79	Traylor Phone Indus 7	808	1 Feb 81	1 New	21
80	Traylor Phone Indus 7	809	1 Feb 81	1 New	21
81	Traylor Phone Indus 7	810	1 Feb 81	1 New	21
82	Traylor Phone Indus 7	811	1 Feb 81	1 New	21
83	Traylor Phone Indus 7	812	1 Feb 81	1 New	21
84	Traylor Phone Indus 7	813	1 Feb 81	1 New	21
85	Traylor Phone Indus 7	814	1 Feb 81	1 New	21
86	Traylor Phone Indus 7	815	1 Feb 81	1 New	21

CNS	Canadian Dollar
ECU	European Currency Unit
EUA	European Unit of Account
L	Pound Sterling
DM	Deutsche Mark
NMD	Newfoundland Dollar

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سیدنا ابوالحسن



## New Eurobond Issues

Compiled by Laurence Desvillettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	and week	Terms
<b>FLOATING RATE NOTES</b>						
Den Norske Creditbank	\$150	1991	1/4	100	105.15	Over 6-month Libor. Noncallable. Fees 0.20%, Denormations \$10,000.
Sundsvallskanalen	\$ 30	1992	1/4	100	99.60	Over 6-month Libor. Callable at par in 1988. Fees 0.25%.
New Zealand	£ 100	1997	1/16	100	99.70	Over 3-month Libor. Callable at par in 1990. Fees 0.36%.
<b>FIXED-COUPON</b>						
Hanwa	\$ 50	1991	10%	101 1/8	—	Noncallable.
Kobe Steel	\$ 50	1990	10%	100	99.38	Noncallable.
Eurofima	DM 70	1989	6	99 1/4	—	Noncallable private placement.
Boyerische Vereinsbank	ECU 60	1988	8 1/4	100%	99.38	Noncallable.
Overseas Finance	—	—	—	—	—	—
Chrysler Finance	ECU 75	1992	9	100%	97.88	Noncallable.
Morgan Guaranty Trust (London)	ECU 100	1990	8 1/4	99 1/4	97.88	Noncallable.
Security Pacific Australia	ECU 100	1990	8 1/4	100%	97.38	Noncallable.
Imperial Chemical Industries	£ 75	1992	10 1/4	100%	97.75	Callable at 101 in 1990.
Australian Industry Development Corp.	Aus\$ 50	1990	12 1/4	100%	98.88	Noncallable.
Commerzbank Overseas Finance	Aus\$ 50	1990	12 1/4	100%	99.00	Noncallable.
Deutsche Bank Finance	Aus\$ 65	1992	12 1/4	100%	100.25	Noncallable. Increased from Aus\$50 million.
Dresdner Finance	Aus\$ 90	1990	12 1/4	100	99.75	Noncallable. Increased from Aus\$75 million.
New South Wales	Aus\$ 50	1990	13	100%	97.75	Noncallable.
Fletcher Challenge Overseas	NZ\$ 15	1988	16 1/2	100	—	Noncallable.
Nederlandse Gasunie	NZ\$ 60	1991	16 1/2	100%	—	Noncallable.
Rank Xerox Leasing Int'l Finance	NZ\$ 15	1988	16 1/2	100%	99.25	Noncallable.
Thyssen Caribbean Finance	DF 50	1990	7 1/4	100	—	Noncallable private placement.
<b>EQUITY-LINKED</b>						
Aico Kogyo	\$ 20	1990	open	100	99.00	Coupon indicated at 7 1/2%. Noncallable. Each \$5,000 bond with one warrant exercisable into shares at an expected 2 1/2% premium. Terms to be set Aug. 9.
Comcast	\$ 50	2000	open	100	99.50	Coupon indicated at 7 1/2%. Redeemable in 1990 to yield 10%. Convertible at an expected 23.28%. Terms to be set Aug. 8.
Nippon Suisen Kaisha	\$ 30	1995	open	100	—	Semiannual coupon indicated at 3 1/2%. Callable at 104 in 1988. Convertible at an expected 5% premium.

## Bond Prices Stage Decline After Report On Jobless

By Gary Klorr  
New York Times Service  
NEW YORK — Bond prices have eased after prospects for lower interest rates were dimmed by the U.S. government's report of larger-than-expected employment growth in July.

The market was also weighed down Friday by concern over the heavy supply of new government

**U.S. CREDIT MARKETS**  
Issues that will be pouring into the market this week. The Treasury holds the first of its quarterly refunding auctions on Tuesday.

Prices on long-term government bonds fell by 1 1/4 points. Short-term interest rates drifted slightly higher.

"Investors were hoping for more decisive news confirming an economic slowdown, and the unemployment news was not viewed as being weak enough," said Edward Yardeni, director of economics and fixed-income research at Prudential-Bache Securities Inc. "Then right ahead here, the markets have to go through a record refunding. Hanging overhead is the concern whether foreign investors will come in and buy the securities."

He added that market participants were also disappointed with the budget compromise adopted by Congress on Thursday, feeling that it contained "a lot of show but very little substance in deficit reduction."

Bond prices moved lower after the government's release of its monthly unemployment report. Traders, who have been hoping for signs of a weakening economy that would pave the way for lower interest rates, were disappointed by figures showing that nonfarm payroll employment grew by 243,000 in July, and that manufacturing employment had stabilized for the first time this year.

Rates on six-month Treasury bills edged up to 7.51 percent, from 7.45 percent.

U.S. Consumer Rates For Week Ended Aug. 2	
Passbook Savings	5.50 %
Time Deposit Savings	6.00 %
Bank Buyer 30-Bond Index	9.01 %
Money Market Funds	7.25 %
Bank Money Market Accounts	6.90 %
Bank Rate Monitor Index	6.90 %
Home Mortgage	12.84 %
FHLB average	12.84 %

## UPI Agrees to Withdraw Request To Cancel Its Contract With Union

By Nell Henderson  
Washington Post Service  
WASHINGTON — United Press International has reached an agreement with its employees' union that reduces the chances of a strike while the news service reorganizes under Chapter 11 of the U.S. Bankruptcy Code.

UPI agreed Friday to withdraw its petition to federal bankruptcy court asking for permission to void the union contract, a federal mediator said at a hearing before Judge George F. Bason Jr.

The Wire Service Guild, representing about 750 UPI employees in the United States, agreed to halt the strike vote it began Thursday, said the mediator, Ed McMahon of the Federal Mediation and Conciliation Service.

Judge Bason appointed Mr. Mc-

Mahon to conduct further mediation between the two sides, which the judge thanked for withdrawing "from the precipice of a potentially disastrous conflict to work together for the benefit of all."

Mr. McMahon announced the agreement after several hours of negotiations between both parties, which disagree over the need for further labor concessions to save UPI. The company and the union plan to begin formal meetings Aug. 14. Mr. McMahon said, adding that no deadline had been set for resolving the dispute. The current contract expires in April 1986 and will remain in force during negotiations, he said.

UPI management argues that it must cut labor costs to continue making an operating profit and to attract buyers. The company asked

the court to reject the contract after the union refused to accept proposed concessions, including delays in restoring previous wage cuts and reductions in pension-fund contributions and severance entitlements.

The company said the concessions would save \$1.5 million, assuring a 1985 profit of \$2 million to \$3.3 million. Without the concessions, the company may end the year with a loss, UPI management said.

The union complained that breaking the contract would scare away potential buyers and vowed to "vigorously" challenge the company in court. The union executive committee had asked its members to authorize a strike in the event that Judge Bason terminated the union contract.

## Doyle Dane Buys Agency

Los Angeles Times Service

LOS ANGELES — Doyle Dane Bernbach Group, a New York-based advertising agency, has announced the acquisition of York-Alpern Inc. of Los Angeles. The terms of the purchase were not disclosed.

York-Alpern specializes in campaigns for health-care concerns, aimed particularly at women. Doyle Dane Bernbach, with 1984 revenue of \$213.2 million and net income of \$8.7 million, spent much of 1984 reviewing its operations after two big clients, Atari and Polaroid, withdrew their accounts.

That review, in part, involved a focus on bolstering Doyle Dane's health-advertising specialty business.

## Intergroup Agrees to Buy Permian

Los Angeles Times Service

LOS ANGELES — National Intergroup Inc. says it has agreed to buy Permian Corp., a crude oil transportation company based in Houston, for \$172 million.

The announcement was made Friday, less than 24 hours after Ford Motor Co. said it would purchase a National Intergroup subsidiary, First Nationwide Financial Corp., for \$493 million. National Intergroup is a holding company based in Pittsburgh.

The majority owner of Permian is Wesray Capital Corp., whose chairman and principal shareholder is William E. Simon, former secretary of the Treasury. A minority share in Permian is held by the company's employees.

National Intergroup is to pay Wesray and Permian's other shareholders in roughly equivalent amounts of cash and stock. It will finance the purchase by issuing 3 million new shares of stock and pay for the rest in cash.

Mr. Simon and the co-owner of Wesray, Raymond Chambers, will join National Intergroup's board and own about 9 percent of its stock when the transaction is complete.

National Intergroup's stock rose \$1.25 a share on the New York Stock Exchange on Thursday to \$29.87 1/2 in apparent anticipation of the sale of First Nationwide, but fell 6 1/2 cents Friday after the agreement to buy Permian was announced.

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## Bond Markets Attract New Investors

(Continued from Page 7)  
fortable buying a familiar-looking blue-chip equity overseas than risking the more esoteric world of bonds.

"For a long time, people thought about international investing as being fairly complex, and equities were the thing if you were going to do it," said Mr. Rigg, a director of Kleinwort Benson International Investment, which is a unit of Kleinwort, Benson, Lonsdale PLC,

the British merchant bank holding company.

Some U.S. institutions that recently began to buy international bonds may pull out of the market after profiting from a quick toboggan run down with the dollar. Already, some fear that they have missed the best part of the run. But investment managers say the bigger and more sophisticated institutions will continue to commit funds to international bonds in an attempt

to diversify their risks and catch the best short-term currency and interest-rate plays around the world.

There also are long-term arguments for buying foreign bonds. InterSec's bond index showed total returns in dollar terms of 8.9 percent a year in the 10 years ended last Dec. 31. That compares with 8.4 percent from a Merrill Lynch U.S. government bond index during the same period.

## Boston Ponders Economic Life After the Computer

(Continued from Page 7)

strong dollar is reducing computer sales to other countries. Large manufacturing companies, some of the largest buyers of computer products, have reduced capital spending. And many potential customers are confused by the large variety of computers on the market.

"Nobody knows whether the problem is endemic, or whether some macroeconomic force is at work," said Jim P. Manzi, president of Lotus Development Corp., the largest U.S. manufacturer of software for personal computers, which is based in Boston. Although Lotus has not laid off any workers, Mr. Manzi said the company's hiring had been sharply reduced.

In addition to the layoffs at Data General, Wang has reduced its payroll by 1,000 workers. Taradyn, Honeywell Inc., ComputerVision Corp., GCA Corp. and National Semiconductor Corp. — all makers of computer equipment that are based here or have plants near Boston — have also announced layoffs this year.

Executives say they do not know how long the downturn will last. "Maybe the economy will pick up and everybody will come back leaner than they were before," Mr. Wang said. "Maybe the slump will be extended."

Companies making computing and electronic office equipment more than doubled their employment in the Boston area over the last decade, to 58,900 in 1984, from 22,900 in 1975.

The emergence of the Boston area as a computer manufacturing center has its roots in the 1950s, when companies such as Wang and Digital Equipment Corp., now the area's largest computer company, were formed in the suburbs north and west of Boston. During the 1970s, greater Boston became home to more than 900 high-technology companies, most of them related to the computer industry.

## Turkey Considers Sale of Airline

ANKARA — Lazard Frères & Co., the New York investment banking concern, proposed on the weekend the sale of the government-owned Turkish Airlines to a private foreign airline and the Turkish public.

In a study prepared for the Turkish government, the company suggested a private minority shareholding of possibly 40 percent. Any foreign airline involved will also have a management role, the study said. It added that such an operation, if started this year, could be completed in 1986.

Economists say a turning point was the decision by the major computer companies to expand their manufacturing, as well as their research, in the Boston area.

"High-tech companies are knowledge intensive, and for that reason it makes great sense to be here," said James Howell, chief economist of the Bank of Boston. "But when they went from research to manufacturing, there was no assurance they would build the plants around Boston."

Mr. Howell ascribed the growth of computer manufacturing here to an abundance of low-cost industrial real estate, much of it left vacant by textile companies and other old-line manufacturers.

But now, with the computer industry downturn, executives said the companies are under extreme pressure to cut their costs and reduce their payrolls.

In addition, Mr. Wang said, a growing number of pre-built parts manufactured abroad and refined automation techniques were making manufacturing jobs obsolete.

Mr. Howell estimated that manufacturing employment in the Boston-area computer industry would be reduced between 10 percent and 20 percent over the next five years. But Boston is not likely to miss those particular jobs because other segments of its industrial and service base are thriving. Some employers, in fact, maintain that the layoffs in the computer industry

are actually relieving a severe shortage of qualified workers.

The troubled General Dynamics Corp., which has announced that it would close its Quincy Shipyard near Boston next year, said it had received listings for 6,600 job openings at area companies, in part because nearby military contractors are thriving. Raytheon Corp., for instance, a maker of radar systems and other military goods, has increased its employment in and around Boston by 4,500 since 1981, to 39,800.

Boston's financial services industry is also growing fast. Employment in securities firms and financial consulting companies in the city and its suburbs has increased by 4,700 in five years, to 12,911, according to state figures.

But the stalling of the computer industry does not mean that Boston will be totally relying on its traditional companies. Hundreds of start-up companies are shifting the focus of the Boston area's growth to new technologies that have not yet evolved into large-scale manufacturing.

Among these small companies, according to an analysis by Governor Dukakis's staff, are more than 40 biotechnology concerns using advanced genetic engineering techniques to create new pharmaceuticals, agricultural products and chemicals.

Boston has 25 photovoltaic companies at work on solar power cells

that generate electricity. There are more than a dozen companies developing advanced fiber optics products for computers and telecommunications, and more than 15 small concerns at work at the application of "artificial intelligence," the science of giving computers the same reasoning skills as the human brain.

"We can't hope to grow fast enough to compensate for the layoffs in computers," said Roger Little, founder of Spire Inc., a maker of manufacturing equipment of photovoltaic cells. "Photovoltaics will create thousands of jobs in the Boston area," he added, "but that is years down the road."

Other industry experts question whether the biotechnology companies will ever develop large-scale manufacturing in Boston.

One reason for the uncertainty, according to Mr. Howell at Bank of Boston, was the huge cost of bringing new pharmaceuticals through years of clinical testing. Because most of the Boston biotechnology companies are small, he said, they could be acquired by the major U.S. drug companies — particularly those in New Jersey. And because regulatory review of new drugs often takes less time outside the United States, Mr. Howell added, the companies now doing research in Boston may elect to move their manufacturing to Europe or the Far East.

## Genstar to Bid \$390 Million For More of Canada Trustco

United Press International

TORONTO — Genstar Corp., a Canadian-based company with substantial holdings in the United States, has announced that it would offer about \$390 million for control of Canada Trustco Mortgage Co.

Genstar, based in Vancouver, said Friday that an offer of about \$32.56 a share would be made for 12 million shares through its subsidiary, Genstar Acquisition Corp. There are about 22 million outstanding common shares, company officials said.

Genstar, which now owns about 9.8 percent of the outstanding common shares of Canada Trustco, would boost its holdings in the company to 50.1 percent if the share offer is successful.

The offer will be made to Canadian shareholders only, said Genstar's corporate affairs manager, John McIntyre.

"The expectation is very positive," he said. "It's a reasonable offer, an attractive offer to the shareholders."

About half of Genstar's assets are held in the United States, where

the company operates from a San Francisco base.

Genstar owns what used to be Flintkote and recently acquired the assets of SCA Services, an American waste-disposal company. Genstar also has real estate holdings in the United States.

There have been rumors of a takeover bid for Canada Trustco, but analysts had suggested that Genstar did not have enough financial backing to do it. Genstar said, however, that it had fully committed bank loans to finance the offer.

Genstar said it planned to propose amalgamating Canada Trustco, of London, Ontario, with another subsidiary acquired in 1981, Canada Permanent Mortgage Co. of Toronto.

The company said it has, through Canada Permanent, established a strong presence in the financial services industry.

"We believe that future interaction between Canada Permanent and Canada Trustco could create an outstanding financial institution with world-class capabilities," Genstar's president, Ross Turner, said in a statement.

## IMF Warns Egypt on Debt

(Continued from Page 7)

similar requests from other debtors.

However, after Mr. Mubarak's visit, the administration did agree to add \$500 million in emergency aid to the more than \$2.3 billion in military and economic aid the United States will provide to Egypt this year.

Bankers in Cairo expressed concern last week that Egypt's financial situation seemed to be entering a dangerous phase because of mounting deficits on visible trade and on current account, which includes trade in goods and non-merchandise items, an over-reliance on foreign aid, and a failure to carry out basic structural reforms.

This view is reflected in the IMF report, which projects that exports will be "virtually stagnant" in large part because of the drop in the price of oil, one of Egypt's most important sources of foreign currency.

The IMF document implicitly blames Mr. Mubarak's original economic advisers, many of whom have been replaced.



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*Consolidated trading for week ended Friday.*

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## SPORTS

## In Case of a Strike, Baseball's Fans Can Be Counted as Part of the Cost

By Thomas Boswell

WASHINGTON — Ballard Smith, president of the San Diego Padres baseball team, has had a clubhouse meeting with his book and he has figured out what a strike would mean to him and his players.

"The worst-case scenario is if the strike starts after next Monday's games and it wipes out the rest of the year, including the World Series," he said.

"If that happens, we'd owe somebody \$3 million. If we don't strike, if we stay in the pennant race and draw 2.5 million as we expect, we'll end up with \$5 million in the bank. I'm not saying 'profit.' Let's leave bookkeeping out of it. Just say it's an \$8 million swing."

"Our players would lose \$2,949,000 in pay if the whole season's struck."

So, a strike would cost the Padres players and owners nearly \$11 million.

Multiply that by 26 major league teams and you have a guessimate of the stakes in these labor talks: more than \$200 million, plus the health of baseball.

This point from Smith is most telling. "Even if there's a strike, we'll settle it sometime. This winter, next spring. So, if we're going to agree eventually, why not do it now?"

On the players' side, too, there are voices of reason. Scott McGreggor, player representative of the Baltimore Orioles, says he thinks players already are overpaid and that they should be more concerned about the game's health. "Whether or not we strike depends on how much we want to play the game. Do we still care about the sport or is it just money now? Is that all it is? That could very well be the truth."

Smith's common sense is so obvious, that it is both confusing and irritating to read how close baseball is to a strike that could

## Negotiations Broken Off; 2 Days Left Before Deadline

The Associated Press

NEW YORK — Negotiations for major league baseball players and the team owners, facing a strike deadline on Tuesday, broke off negotiations Sunday, just a few hours after the commissioner, Peter Ueberroth, predicted they would settle on a new collective bargaining agreement without a walkout.

The negotiations were ended after owners rejected a union offer to lower its pension demands if management would agree not to alter the salary arbitration system, said the acting director of the Major League Players Association, Donald Fehr.

Lee MacPhail, president of the owners' Player Relations Committee,

indicated that members of the committee wanted to talk over the union's offer.

The meeting then ended and no new talks were scheduled, although Fehr said the two sides would stay in touch.

After an unsuccessful meeting Saturday, MacPhail said that "neither side moved" on the major issues blocking an agreement: the owners' contribution to player pension fund and management's request for player concessions in salary arbitration. While he characterized the situation as a temporary stalemate, he said he was convinced that both sides still were "searching for some new approach."

make the fiasco of 1981 seem tepid.

This week's mantra seemed to be, "I'm optimistic." Everyone was saying it but no one could give one reason why they were optimistic.

"The optimism is not a product of fact," said Don Fehr, acting head of the union.

What is most infuriating about baseball's impasse is that it is totally unnecessary. The game never has

been so inundated with money. Enough to make everybody involved filthy rich.

The players' association's one point of inflexibility is in the open-market system of free-agency and arbitration that the union has fought for and won, fair and square.

"I can't describe how unlikely it would be that the players would give that up," Fehr said.

Where Fehr is not so adamant is on the vital issue of network television money. As everyone with a season ticket knows by now, that TV pot has quadrupled since the last contract. The players say they always got one-third in the past, so for every \$60 million, the owners get it was just a lump sum of \$15 million in '81 and where is this one-third stuff written down?

Tuesday, the owners finally offered to increase that lump sum to \$25 million, although they did so with a big string attached. They stipulated that if salaries increase by more than \$13 million in 1986, then any additional increase would be subtracted from the TV money. In theory, this means that the players could get less TV money for their pension fund. In fact, they could get none.

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## Becker Wins Last Match, West Germany Beats U.S.

United Press International

HAMBURG — West Germany knocked the United States out of the Davis Cup world zone tennis quarterfinals Sunday when Wimbledon champion Boris Becker defeated Aaron Krickstein in straight sets of the final match.

Becker, 17, who stunned the tennis world this summer by winning the Wimbledon title, beat Krickstein, 6-2, 6-1, to give West Germany a 3-2 victory — its first over the Americans in the six times their Davis Cup teams have met since 1913. Their last meeting was in 1970, when the United States triumphed, 5-0, in Ohio.

## Cram Breaks 3d World Mark

United Press International

BUDAPEST — Steve Cram of Britain set his third world record in 19 days when he shaved one-hundredth of a second off the 2,000-meter mark Sunday, clocking 4 minutes 51.39 seconds at Nép Stadium.

Cram, 24, who broke the 1,500-meter and mile (1,609-meter) records in July, ran the last 1,000 meters alone and was so close to New Zealand's John Walker's nine-year-old mark of 4:51.40 that it took several minutes of deliberation before the record was confirmed.

One stadium clock showed him to be six-hundredths of a second outside the mark and a second clock put him ever with it, but scrutiny of the photo-finish revealed that he had broken the record.

"If anyone would have said three or four months ago that we would win against America in the Davis Cup, he would have been declared crazy," Becker said.

The U.S. team, captained by Arthur Ashe, had gained a tie at 2-2 in the day's first singles when Eliot Teltscher defeated Hansjörg Schwager, 6-4, 2-6, 5-7, 6-4, 6-2.

That grueling five-set battle lasted 3 hours 45 minutes and was interrupted three times by rain. Becker said afterward that for him "the waiting was just unbearable."

"I just wanted to get my game over with, win or lose," he said.

Krickstein, who celebrated his 18th birthday Friday, was badly outclassed, Becker triumphing on his first match point in the final set.

It was Schwager, 22, from Munich, who kept the German spectators on the edge of their seats. He won a five-set, see-saw contest with Krickstein on Friday, when Becker beat Teltscher, only to lose just as narrowly Sunday.

Schwager was forced to struggle against Teltscher's surprising net attacks that helped the 26-year-old American win the first set. But Schwager made a strong comeback in the next two sets with a shrewd baseline game until the Teltscher proved stronger.

When it was over, the Germans' coach, Niki Pilić, could only shake his head, say, "Too bad."

The U.S. team, down by 2-0 after twin singles defeats Friday, got its first point from the world championship doubles team of Ken Flach and Robert Seguso on Saturday.

They defeated Becker and Andreas Maurer, 6-2, 6-8, 6-1, 4-6, 7-5 to hand the partisan Hamburg crowd its first disappointment.



A spectator at the game in Oakland made his feelings known about the possibility of a baseball strike Tuesday.

## Dodgers' Welch Fails Reds on 2-Hitter

Compiled by Our Staff From Dispatches

CINCINNATI — Bob Welch pitched a two-hitter and Mike Scioscia and Pedro Guerrero hit home runs Saturday night as the Los Angeles Dodgers beat the Cincinnati Reds, 2-0.

Welch, 7-1, struck out five and walked three on route to his fourth complete game. The right-hander has won six straight decisions, allowing seven earned runs in the process. The Dodgers have won nine of their last 12 games.

Mario Soto was the loser despite allowing only four hits. He walked one and struck out seven.

Cincinnati's player-manager, Pete Rose, went hitless in four at-bats. He still needs 25 hits to break Ty Cobb's record of 4,191.

Scioscia gave the Dodgers a 1-0 lead in the fifth, homering over the right-field fence; he now has five homers, tying his career high for a season. Guerrero hit his 26th with two outs in the ninth.

Cincinnati did not get its first hit when Dave Concepcion singled. Then Eddie Milner doubled with two outs in the sixth.

The Reds got one runner to third. In the second, Buddy Bell and Nick Esasky walked and Bell moved to third on a double play. Welch then snared Ron Oester's line drive to end the inning.

Mets 5, Cubs 4: In Chicago, Howard Johnson's two-out homer in the top of the 10th rallied the New York Yankees to a 5-4 victory over the Cubs. Wally Backman beat out an infield single and scored on Keith Hernandez's double down the right field line.

Expos 6, Pirates 5: Mike Fitzgerald drove in two runs and Hubie Brooks hit a solo home run for Montreal in Pittsburgh. Jeff Reardon got two outs in the ninth for his 27th save, most in the majors.

## SATURDAY BASEBALL

Giants 7, Braves 4: Rookie Chris Brown's third-inning grand slam gave San Francisco its victory in Atlanta.

Astros 4, Padres 3: In Houston, Mark Bailey's two-run single in the bottom of the ninth beat San Diego. Bailey's hit capped a three-run rally against Eric Show and Craig Lefferts.

Phillies 6, Cardinals 4: In St. Louis, pinch-hitter Derrel Thomas's two-out, two-run double in the 10th gave Philadelphia its victory in a game delayed twice by rain. The loss narrowed St. Louis' lead over New York in the NL East to 1½ games. But the Cardinals need only one victory or Met loss to assure themselves of first place on Tuesday, when the players may go out on strike.

Blue Jays 4, Rangers 1: In the American League, Gary Allenson doubled home two runs in Toronto and Dennis Lamp pitched 3½ innings of shutout relief against Texas as the Blue Jays won for the 13th time in their last 14 games.

Their victory, a club-record 10th straight at home, raised their lead

in the AL East to 9½ games over New York. It was the Rangers' fifth consecutive loss.

Lamp, 7-0, entered with one out in the third after starter Jimmy Key left with a blister on his left index finger. The right-hander scattered three singles, struck out two and walked one. Bill Caudill, the fifth Toronto pitcher, worked two innings for his 14th save.

The Blue Jays had 11 hits, each starter getting at least one.

Tigers 9, Brewers 3: Lance Parrish drove in three runs with two homers in Detroit and Kirk Gibson and Darrell Evans each homered with the bases empty to help beat Milwaukee. Dan Petry, 12-10, won for just the fourth time in his last 12 decisions, while Danny Darwin, 6-13, got his ninth straight defeat.

Yankees 8, White Sox 4: In New York, rookie Dan Pasqua highlighted a four-run first inning against Chicago with a two-run homer, and Ron Haefliger followed with a solo shot to help halt a four-game losing streak. For Chicago, Oscar Gamble hit the 200th home run of his career.

Indians 10, Orioles 4: Julio Franco drove in five runs and Brett

Butler went 4-for-4 in a 16-hit attack in Cleveland that backed newly-acquired Curt Wardle in his first major-league start. Floyd Rayford and Mike Boddicker lost for the 11th time in his last 15 decisions.

Mariners 6, A's 2: Gorman Thomas hit his 24th homer and Mike Moore pitched a seven-hitter as Seattle triumphed in Oakland. Moore, 10-6, won his sixth game in eight decisions since coming off the disabled list June 21.

Red Sox 5, Royals 4: In Kansas City, Missouri, Bill Buckner hit a three-run homer for Boston and Roger Clemens returned from the disabled list to post his first victory since May 27. Clemens, who carried a no-hitter into the fifth, was replaced in the sixth by Steve Crawford. The Royals had lost only once in their last 10 games.

Angels 5, Twins 4: In Anaheim, California, Doug DeCinces hit a two-run homer off Minnesota's Bert Blyleven in the ninth to rally the Angels. California's Rod Carew got a single in the game, leaving him one hit shy of becoming the 16th player to get 3,000 hits in the major leagues. (UPI/LATAP)

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## SCOREBOARD

## Baseball

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## Major League Standings

## AMERICAN LEAGUE

## East Division

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